



## Shareholder Update – Board Structure & Executive Remuneration

**Date 11 September 2019:** Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) provides the following update on changes to the composition of its board and executive, effective from 11 September 2019.

### Key points:

- Non-executive director Barry Richards resigns from the board
- Chief Operating Officer (COO) Jim Blackburn joins the board as an executive director
- Group Chief Engineer Ashley Moore re-joins the board as an executive director
- Glenn Fozard remains as Executive Chairman and David Smith remains as a non-executive director
- Total board and executive cash costs reduced by over 50%.

These changes have been driven by the need to redefine performance, remuneration and accountability in light of the recent delays to the Company's proposed India project and the subsequent refocus of the corporate strategy toward priorities that support earnings from its Bacchus Marsh plant.

To this end, there are a number of changes to the board composition. Barry Richards has resigned from the board, Jim Blackburn joins the board and Ashley Moore re-joins the board.

Jim Blackburn has held numerous roles as chairman, executive and non-executive director roles on private company and not-for-profit boards over the past 15 years. He is a graduate of the Australian Institute of Company Directors and formally trained in corporate governance, compliance and mediation.

Ashley Moore has previously held the position of Managing Director for ECT and Chairman-Managing Director for the group's India subsidiary over the past 6 years.

Additionally, the board has worked with the executive to consider a remuneration structure more closely aligned to shareholder returns with the outcome being a reduction in cash remuneration until the upgrades project announced in the Company's updated Corporate Strategy (4 September 2019) is complete and has met performance targets.

Unrelated to the above changes, Chief Finance Officer and Company Secretary Martin Hill has announced his resignation effective 15 November 2019, agreeing to continue to support ECT for a period of time under a part time contract while arrangements are made to fill the roles.

The effect of these changes is a reduction of over 50% in board and executive cash remuneration, representing an annualised cash saving of over \$500,000. The three executives (Glenn Fozard, Jim Blackburn & Ashley Moore) will each receive ~17 million ECT shares at a strike price of 0.9c per share in the form of an Equity Lending Facility (ELF) loan, subject to shareholder approval at the next AGM. The foregone cash remuneration outlined above will be applied to loan principal reduction over 12 months, although this may be subject to change as tax advice is currently being sought for the most tax effective arrangement.

Chairman Glenn Fozard commented, "As outlined in our announcement on 4 September 2019, we're focusing on bringing the Company into positive cashflows within 12 months. Aligned with this process we will aggressively target cost savings as much as earnings initiatives. The executive will be accountable for

their success in the upgrades project through their directorships and be aligned to shareholder value through taking a substantial portion of their monthly executive remuneration as repayment of an ELF loan at 0.9c per share.”

David Smith will remain as an independent non-executive director.

The Company thanks Barry Richards for his service over the past 4 years and wish him all the best with his future endeavours.

The Company will provide further updates on the performance criteria of the Bacchus Marsh upgrades project which will drive the return to an improved cash remuneration position for each of the executives.

**For further information, contact:**

*Glenn Fozard – Chairman      info@ectltd.com.au*

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**About ECT**

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT’s business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licensing and other commercial mechanisms.

**About Coldry**

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO<sub>2</sub> emissions than raw lignite.

**About HydroMOR**

The HydroMOR process has the potential to revolutionise primary iron making.

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology which enables the use of ‘low value’ feedstocks to produce primary iron.

**About COHgen**

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from brown coal.

COHgen is currently advancing through fundamental laboratory development to inform its patent application ahead of scale up and commercialisation.

**About CDP-WTE**

The catalytic depolymerisation-based waste-to-energy process converts ‘low-value’ resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.

**Areas covered in this announcement:**

ECT (ASX:ECT)	ECT Finance	ECT India	India Project	Aust. Projects	R&D	HVTF	Business Develop.	Sales
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