



1. Introduction

1.1 This is the Charter of the Remuneration and Nomination Committee (“Committee”) of Board of Directors (“Board”) of Ecofibre Limited ACN 140 245 263 (“Ecofibre” or “Company”, and, together with its controlled entities, the “Group”).

1.2 The purpose of this Charter is to:

- a. promote high standards of corporate governance; and
- b. clarify the role, responsibilities, structure, and processes of the Committee; and
- c. enable the Board to provide strategic guidance for the Group and effective oversight of the management of the Group.

1.3 This Charter is supported by the Company’s Constitution, the Group’s Code of Conduct, the Charters for the Board and its other standing Committees, the Group’s Corporate Governance Statement, and the Group’s policies in respect of securities trading, continuous disclosure, risk management and diversity, among other things.

1.4 To the extent that there is any inconsistency between this Charter and the Company’s Constitution or the Board’s Charter, the Constitution and then the Board Charter will prevail in that order.

2. Establishment of Committee and Amendment of Charter

This Charter sets out the basis on which the Board has established a Remuneration and Nomination Committee pursuant to the authority contained in, and subject to the provisions of, the Constitution . This Committee is not a policy-making body but assists the Board by implementing Board policy and recommending remuneration and nominations which require Board approval. This Charter may be amended by resolution of the Board.

3. Interpretation

ASX Listing Rules means the listing rules of the Australian Securities Exchange.

ASX Principles and Recommendations means *ASX Corporate Governance Principles and Recommendations*, as amended from time to time.

4. Objectives

The objective and purpose of the Committee is to assist the Board in establishing coherent remuneration policies, practices, and recommendations which:

- 4.1 enable the Board to attract, retain and motivate executives and Directors who will create value for shareholders;
- 4.2 fairly and responsibly reward Directors having regard to the performance of the Group, the performance of the executive and the general pay environment; and
- 4.3 comply with the provisions of the ASX Listing Rules and Corporations Act 2001.



5. Committee Membership

5.1 Structure

- a. The Committee will consist of at least three members, each of whom will be appointed or removed by the Board.
- b. Two members of the Committee must be Independent Directors.
- c. The Chair of the Committee will be the Chair of the Board.

5.2 Company Secretary

The Company Secretary or their nominee will act as Secretary to the Committee, unless otherwise determined by the Committee.

6. Proceedings

6.2 Frequency

- a. The Committee will meet as frequently as required but must not meet less than once each year.
- b. The Secretary to the Committee or any Committee member may call a meeting of the Committee.

6.3 Notice

The dates, times, and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible, but at a minimum 7 days in advance, unless circumstances require shorter notice.

6.4 Attendance

The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:

- a. external advisers;
- b. any executive or other employee; or
- c. any other Director.

6.5 Quorum

A quorum for a meeting of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in, or exercisable by, the Committee.

6.6 Chair

In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.

7. Constitution

Proceedings of the Committee will be governed by the provisions of the Constitution, in so far as they may be applicable.

8. Minutes

Minutes of meetings of the Committee will be distributed to members for confirmation as soon as practicable and, after confirmation, distributed to all Directors unless circumstances otherwise require, for example where there is a conflict of interest.

9. Access and Advice**9.1 Access**

The Committee has unrestricted access to executive management, all employees, and all company records and to financial and legal advisers. To avoid any conflict of interest, no member of executive management should be directly involved in deciding their own remuneration.

9.2 Independent advice

The Committee is authorised to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary. To avoid any conflict of interest, such advisers should be separate from any professional advisers retained by executive management. advisers should be separate from any professional advisers retained by executive management.

10. Duties and Responsibilities

Without limiting its role, specific duties and responsibilities of the Committee include the following:

10.1 Remuneration Recommendations

The Committee may do, but is not limited to doing, any or all of the following:

- a. conduct all research, including but not limited to benchmarking, and prepare all other documentation necessary to present to the Board for approval, the remuneration of Directors.
- b. conduct all research, including but not limited to benchmarking, and prepare all other documentation necessary to present to the Board for approval, the portions, if any, of Director remuneration that should be in the form of cash or equity. Equity may be in the form of grants of stock or options and may contain recommendations on timing of issuance or grants.
- c. ensure that provisions regarding disclosure of remuneration, as set out in relevant laws and regulations are fulfilled.

10.2 Nominations

The Committee shall review all Director nominations and may, at a minimum, take into account:

- a. previous and other directorial experience;
- b. qualifications;
- c. whether the skill set of the nominee compliments the skill set of the Board;
- d. any declared or apparent conflict of interest;

- e. any other attributes that the nomination committee believes will benefit Ecofibre.
- 10.3 Other duties and responsibilities
- Other duties and responsibilities of the Committee include, but are not limited to:
- a. reviewing this Charter and where necessary updating it annually and making recommendations to the Board for any changes it considers appropriate;
 - b. ensuring that the provisions regarding disclosure of remuneration required by the Corporations Act, including pensions and superannuation, are fulfilled;
 - c. selecting, approving the engagement of, and agreeing to the terms of reference for any remuneration consultant who makes recommendations to the Committee or Ecofibre on the remuneration of the Directors and making a statement available as to whether any remuneration consultants appointed by the Committee have any other connection with Ecofibre.

11. Special Projects

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board.

12. Reporting

12.1 Reporting to the Board for Approval

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities; and attend the Board meetings at which the Board's agenda include voting on resolutions recommended by the Committee.

12.2 Annual General Meeting

The Chair of the Committee must attend the Annual General Meeting of Ecofibre and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

13. Performance Review

The Committee shall conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board. It must recommend to the Board any suggested changes in the duties and responsibilities of the Committee and the terms of this Charter.