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**COLIN
BIGGERS
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LAWYERS



Employee Securities Trust Deed **Ecofibre Industries Operations Limited**

Ecofibre Industries Operations Limited (Company)

Pacific Custodians Pty Limited (Trustee)

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Details

Date 29 June 2018

Parties

Name	Ecofibre Industries Operations Limited	
ACN	140 245 263	
Description	Company	
Notice Details	Email	jonathan.brown@ecofibre.com
	Attention	CFO

Name	Pacific Custodians Pty Limited	
ACN	009 682 866	
Description	Trustee	
Notice Details	Email:	ess.trustees@linkmarketservices.com.au
	Attention:	Trustee Manager

Background

- A. The Company may make offers of Securities under the Plan.
- B. The Company appoints the Trustee, and the Trustee accepts the appointment, to act as trustee of the Trust on the terms and conditions set out in this Deed.

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1. Defined terms & interpretation

1.1 Defined terms

In this Deed:

Allocated Trust Property means any part of the Trust Fund that is allocated to a Participant pursuant to clause 5 (including any Participant's Securities) and any Income, dividends, distributions, consideration or other benefits that the Participant becomes entitled to under clause 5 as a result of that allocation.

Associate has the meaning given in section 318 of the *Income Tax Assessment Act 1936* (Cth).

ASX Listing Rules means the listing rules of ASX Limited.

Blackout Period means those periods, as set out in the Trading Policy, during which the Group's directors and employees covered by the policy may not trade in Securities.

Beneficiary means:

- (a) a director or employee of the Group;
- (b) a prospective or former director or employee of the Group;
- (c) another person determined by the Board as eligible to participate in the Plan;
- (d) a trust maintained and established for the benefit of all or any of the above named persons; or
- (e) an Associate of the above named persons or trusts.

Board means the board of directors of the Company, or any committee, person or body to which the board duly delegates its powers and authorities under this Deed or in respect of the Plan.

Capital means that part of the Trust Fund that does not constitute Income.

Corporations Act means the *Corporations Act 2001* (Cth).

Deed means this trust deed which establishes and governs the Trust.

Financial Year means:

- (a) the period from the date of this Deed until the first 30 June following the date of this Deed;
- (b) each period of 12 months from 1 July until the following 30 June; or
- (c) the period from the last 1 July before the Trust is terminated under clause 8 until the date of termination of the Trust.

General Trust Property means the Trust Fund except for Allocated Trust Property.

Group means the Company, its subsidiaries and related bodies corporate (as those terms are defined in the Corporations Act).

Group Company means any one or more companies within the Group, as the context requires.

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Income in respect of a Financial Year, unless the Trustee determines otherwise, means the net income of the Trust for that Financial Year as defined in section 95(1) of the *Income Tax Assessment Act 1936* (Cth), except amounts that are not capable of distribution such as gains that arise for tax purposes as a result of a deemed value being substituted for an actual value and franking credits.

Non-Resident Beneficiary means a Beneficiary who resides outside Australia.

Non-Resident Beneficiary Trust Fund has the meaning given in clause 9(a).

Option means a right to acquire a Share.

Participant means a Beneficiary in respect of whom Securities are held as Allocated Trust Property by the Trustee under this Deed.

Plan means the Ecofibre Industries Operations Limited Employee Share and Option Plan operated by the Company and adopted on or around the date of this Deed, and includes the rules of that plan and the terms of issue of any Security.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Settlement Sum means the sum of \$10.00.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Trading Policy means the Company's policy (if any) for trading in the Company's securities, as in force from time to time.

Trust means the Ecofibre Industries Operations Limited Employee Securities Trust established under this Deed.

Trust Fund means the Settlement Sum and all other property (including money or Securities) that may be paid, transferred or credited to the Trust from time to time including any accretions to the Trust whether realised or unrealised, whether capital or revenue in nature.

1.2 Interpretation

In this Deed headings are for convenience only and do not affect the interpretation of this Deed and, unless the context otherwise requires:

- (a) a reference to a power, right or discretion being exercisable by a Group Company is taken to be a reference to that power, right or discretion being exercisable by the Board;
- (b) any reference to any enactment includes a reference to that enactment as from time to time amended, consolidated, re-enacted or replaced and all regulations and statutory instruments issued under it;
- (c) any words importing the singular include the plural and vice versa;
- (d) any words importing a gender include any gender;
- (e) the word including or any other form of that word is not a word of limitation;
- (f) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning where used in this Deed;

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- (g) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (h) a reference to a document (including this Deed) or a provision of a document is to that document or provision as varied, novated, ratified or replaced from time to time;
- (i) this Deed must not be construed adversely to a party just because that party prepared it or caused it to be prepared;
- (j) a reference to a Participant's Securities is a reference to Securities which form all or a part of that Participant's Allocated Trust Property; and
- (k) terms defined in the Plan have the same meaning where used in this Deed unless the context otherwise requires.

2. Establishment of Trust

2.1 Settlement of Trust

The Company appoints the Trustee as the trustee of the Trust and the Trustee agrees to be the trustee of the Trust with effect from establishment of the Trust under clause 2.2 and in accordance with this Deed.

2.2 Establishment of the Trust

The Trust is established upon the transfer by the Company to the Trustee of the Settlement Sum, which is to be held by the Trustee and forms part of the Trust Fund.

2.3 Purposes of the Trust

The sole purposes of the Trust are:

- (a) acquiring and holding Securities;
- (b) providing beneficial interests in those Securities, under the Plan to Participants; and
- (c) conducting other activities that are merely incidental to those in clauses 2.3(a) and 2.3(b) including:
 - (i) the holding of cash and other assets as the Trustee considers necessary to carry out the purpose of the Trust;
 - (ii) the opening and operating of bank accounts to facilitate the receipt and payment of money;
 - (iii) the receipt of dividends in respect of Shares held by the Trust on behalf of Participants, and their distribution to Participants;
 - (iv) the receipt of dividends in respect of unallocated Shares and using those dividends to acquire additional Shares for the purposes of the Plan;
 - (v) dealing with Securities forfeited under the Plan including the sale of forfeited Securities and using the proceeds of sale for the purposes of the Plan; and
 - (vi) the transfer of Securities to Participants or their nominated persons or the sale of Securities on behalf of a Participant and the transfer to the Participant of the net proceeds of the sale of those Securities;

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in a manner consistent with the definition of "employee share trust" in section 130-85 of the *Income Tax Assessment Act 1997* (Cth).

2.4 Rights of a Group Company

Nothing in this Deed confers or is intended to confer on any Group Company any charge, mortgage, lien or any other proprietary right or proprietary or beneficial interest in the Securities acquired by the Trustee in accordance with this Deed.

3. Acquisition of Securities for the Trust Fund

3.1 Notice from Board

- (a) Subject to clause 6.4, the Board may instruct the Trustee in writing (**Notice**) to acquire any number of Securities by way of subscription or purchase, to be held by the Trustee and to form part of the Trust Fund.
- (b) The Board must in the Notice:
 - (i) agree to cause the Company or another Group Company to provide funds for the purpose of acquiring the Securities;
 - (ii) request the Trustee apply some of the Capital for the purposes of acquiring the Securities; or
 - (iii) effect a combination of the acts in paragraphs (i) and (ii).

3.2 Acquisition of Securities

- (a) Subject to clause 3.2(b), the Trustee must comply with any reasonable written direction or request of the Board to subscribe for or purchase Securities contained in a Notice and must apply any amount paid to it by a Group Company pursuant to the Plan in accordance with any such direction or request.
- (b) The Trustee is not obliged to act in accordance with a request or direction made by the Board to the extent that the relevant Group Company has not provided it with sufficient funds to comply with the request or direction. A direction from the Board to the Trustee to subscribe for or purchase Securities is only effective to the extent that the Trustee has been provided with sufficient funds for the subscription or purchase by the Group Company.

3.3 Funding the acquisition of Securities

- (a) The relevant Group Company must provide the Trustee with any funds required in order to comply with its obligations under clause 3.2.
- (b) Where the Trustee is directed to subscribe for Securities, the subscription price for each of the Securities will be determined by the Board on the date on which the Securities are issued to the Trustee.
- (c) The Trustee must apply any funds received under clause 3.3 in satisfying its obligations under clause 3.2 and must not repay to any Group Company any amount received as contributions for the acquisition of Securities.

4. General Trust Property

4.1 Holding and dealing with General Trust Property

- (a) The Trustee holds General Trust Property on trust for the Beneficiaries and in accordance with the Plan and this Deed.

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- (b) The Trustee may, subject to clause 4.2, pay, apply, set aside or appropriate any part of the General Trust Property for the benefit of any one or more of the Beneficiaries as it determines in its discretion.
- (c) If, at the end of any Financial Year, there is Income from General Trust Property in respect of that Financial Year and the Trustee has not paid, applied, set aside or appropriated that Income to any Beneficiary, then the Income will, in the Trustee's discretion:
 - (i) accumulate in the Trust Fund (in which case the Trustee is authorised to pay from the Trust Fund any amount of tax that may be payable in respect of that Income) for the general purposes of the Trust; or
 - (ii) be distributed by the Trustee to a trust established for the benefit of the Beneficiaries nominated by the Trustee.
- (d) The Company agrees that no Group Company:
 - (i) is a Beneficiary; or
 - (ii) has any entitlement to any part of the Trust Fund, including any Securities that form part of the Trust Fund, at any time.

4.2 Shares held as part of General Trust Property

Unless otherwise determined by the Board, if Shares are held as part of General Trust Property, the Trustee:

- (a) holds all Income, dividends, distributions, consideration and benefits received in respect of the Shares as part of the Trust Fund on trust for the Beneficiaries;
- (b) may not exercise voting rights in respect of the Shares, as directed by the Board;
- (c) may participate in any other corporate action of the Company, including a rights issue, in its absolute discretion; and
- (d) may only accept an offer made under a takeover bid or scheme of arrangement, if directed by the Board and in accordance with any terms set out by the Board.

4.3 Options held as part of General Trust Property

Unless otherwise determined by the Board, if Options are held as part of General Trust Property:

- (a) the Trustee may in accordance with the Plan and the terms of each Option, at the direction of the Company, exercise those Options, and in the absence of such a direction, the Trustee may not exercise the Option;
- (b) the Options may be exercised over a greater number of Shares, where the number of Shares over which the Option is exercisable have increased pursuant to a bonus issue;
- (c) any additional Options that are issued in respect of those Options will be issued to the Trustee and held for the Beneficiaries on the same terms until those Options are allocated to a Participant; and
- (d) the Trustee may only accept an offer made under a takeover bid or scheme of arrangement, if directed by the Board and in accordance with any terms set out by the Board.

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5. Allocated Trust Property

5.1 Holding Allocated Trust Property

The Trustee agrees that it will set aside and hold for the benefit of identified Participants any part of the Trust Fund to which that Participant becomes entitled (**Allocated Trust Property**) on the terms of the Plan, or as the Board may request from time to time, to the extent that request is not inconsistent with the Plan.

5.2 Dealing with Allocated Trust Property

- (a) In relation to the Allocated Trust Property, the Trustee must act at all times in accordance with the Plan and:
 - (i) must not deal with any part of the Allocated Trust Property, except as set out in the Plan and under any terms and conditions of any grant made under the Plan;
 - (ii) must comply with the Plan, including any terms and conditions of any grant made under the Plan, and, so far as is reasonable, comply with any requests made by the Board;
 - (iii) is not bound to observe instructions from a Participant or that Participant's authorised representative except as required under the Plan or this Deed; and
 - (iv) must maintain written records of the identity of each Participant and sufficient particulars of that Participant's Allocated Trust Property.
- (b) If Securities that form part of the Trust Fund are held on trust for a specified Participant, that Participant will become absolutely entitled to the Securities including all Income, dividends, distributions, consideration or benefits received in respect of the Securities as against the Trustee in accordance with the Plan.

5.3 Transfer of Securities to the Participant

- (a) Subject to the Plan, any Board determination, the ASX Listing Rules or applicable laws, the Trustee must transfer to the Participant or any other person nominated by the Participant, that Participant's Securities, three years after the date those Securities became that Participant's Securities. This transfer must take place within 30 days after the expiration of the three year period.
- (b) Subject to clause 5.3(c), the Trustee must not transfer a Participant's Securities at the direction of that Participant before the three year period.
- (c) The Trustee must do all things required by it to transfer legal title in a Participant's Securities to that Participant:
 - (i) where required to do so by the Plan;
 - (ii) subject to the Plan, where a Participant is no longer employed by a Group Company;
 - (iii) in accordance with clause 5.3(a);
 - (iv) if the Trust is terminated under clause 8; or
 - (v) following and in accordance with a request from the Board.

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5.4 Sale of Securities at the Participant's direction

- (a) A Participant may direct the Trustee to sell that Participant's Securities to which the Participant is entitled at that time to have transferred to them under clause 5.3, subject to any administrative limitations which the Trustee may impose from time to time.
- (b) Any sale of a Participant's Securities under clause 5.4(a) must occur within 60 days of the date of the direction to sell, unless:
 - (i) the Participant or any Associate of the Participant is indebted to the Group, in which case the Trustee must delay or withhold the actioning of any request to sell the Participant's Securities until satisfactory arrangements to discharge the indebtedness, in the Group's sole discretion, have been made; or
 - (ii) the period is extended by the Participant.
- (c) If the Trustee is directed by the Participant to sell its Securities under clause 5.4(a), the Trustee must apply the proceeds of sale of a Participant's Securities:
 - (i) firstly in payment of any transfer duty, tax, brokerage or other costs and expenses of sale; and
 - (ii) secondly, in payment to the Participant or any third party as directed by the Participant in writing.
- (d) If the Trustee cannot within 12 months from the date of sale, contact the Participant to pay any balance of the proceeds of sale, then the Trustee may lodge the proceeds as unclaimed money with the Queensland Public Trustee.
- (e) To the fullest extent possible under the law, a Participant will not have any claim against the Trustee or the Group as a result of the exercise by the Trustee of a power, discretion or determination under this clause 5.4.

5.5 Rights attaching to Shares

Subject to the direction of the Board and the Plan, if Shares form part of a Participant's Allocated Trust Property:

- (a) the Participant is presently entitled to receive all Income, dividends and other distributions, bonus issues or other benefits payable to the Trustee in respect of those Shares;
- (b) the Participant may vote by a direct voting procedure, if available or otherwise direct the Trustee in writing how to exercise the voting rights attaching to those Shares, and in the absence of such a direction, the Trustee may not exercise any voting rights attaching to those Shares; and
- (c) any bonus Shares that are issued in respect of those Shares will be issued to the Trustee and held for the Participant on the same terms and transferred to the Participant when those underlying Shares are transferred.

5.6 Rights attaching to Options

Subject to the direction of the Board and the Plan, if Options form part of a Participant's Allocated Trust Property:

- (a) the Participant may direct the Trustee in writing to exercise its Options and if such a direction is made the Participant must provide the Trustee with sufficient funds

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to enable the Trustee to exercise the Options, in the absence of such a direction and the provision of sufficient funds, the Trustee may not exercise the Option;

- (b) the Options may be exercised over a greater number of Shares, where the number of Shares over which the Option is exercisable have increased pursuant to a bonus issue; and
- (c) any additional Options that are issued in respect of those Options will be issued to the Trustee and held for the Participant on the same terms and transferred to the Participant when those underlying Options are transferred, unless already exercised.

5.7 Rights Issues

If Securities that form part of the Allocated Trust Property are held on trust for a Participant and rights arise on a rights issue in respect of those Securities:

- (a) the Trustee must seek instructions from the Participant as to how the Trustee should deal with the rights; and
- (b) if no instructions are given by the Participant to the Trustee or the Participant has not provided the Trustee with sufficient funds to exercise all of the rights in respect of the Securities allocated to the Participant, or the Participant instructs the Trustee to do so, the Trustee:
 - (i) must (where possible) use reasonable endeavours to sell those rights or the balance of those rights (as applicable);
 - (ii) must pay the proceeds of sale (net of any applicable brokerage, commission, stamp duty, taxes or other transaction costs) to the Participant who beneficially owns those Securities;
 - (iii) has no obligation to maximise the sale price of the rights;
 - (iv) may aggregate the rights to be sold; and
 - (v) may attribute a sale price to each right sold equal to the average price for each right sold by the Trustee

The Trustee may require the Participant to pay the costs and expenses associated with the sale or other dealing of the rights (including any stamp duty).

5.8 Takeover or Scheme of Arrangement

- (a) The Trustee must not accept any offer made for Securities which form a Participant's Allocated Trust Property or act on any Participant's purported acceptance in respect of that Participant's Allocated Trust Property, unless the Board makes a decision in accordance with clause 5.8(b) and a Participant issues a notice in accordance with clause 5.8(d).
- (b) If a takeover bid is made for all or part of the Securities and the Company has been served with a bidder's statement, the Board may declare that a Participant is permitted to direct the Trustee to accept the offer on the Participant's behalf in respect of all or part of that Participant's Securities on the terms determined by the Board in its absolute discretion.
- (c) If a proposed scheme of arrangement is announced, the Board may:
 - (i) on the terms and in the circumstances determined by the Board in its absolute discretion, declare that a Participant is permitted to direct the Trustee to sell, on the Participant's behalf, the Participant's Securities; or

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- (ii) make any other determination in relation to the Participant's participation in the proposed scheme of arrangement as it sees fit.
- (d) A Participant who wishes to direct the Trustee to accept an offer in respect of all or part of that Participant's Securities, must do so in accordance with and adhere to any times specified in, the Board's determination.

5.9 Compulsory Acquisition

- (a) Any securities received by the Trustee in consideration for the compulsory acquisition of a Participant's Securities, are not to be transferred to the Participant but dealt with in accordance with the Board's determination.
- (b) If the Trustee is required, by Board determination, to convert non-cash consideration received for a Participant's Securities to cash, the Trustee must apply the cash received on conversion:
 - (i) firstly in payment of any transfer duty, tax, brokerage or other costs and expenses; and
 - (ii) secondly, in payment to the Participant or any third party as directed by the Participant in writing.
- (c) Each Participant authorises the Trustee to take any action reasonably necessary to convert non-cash consideration received under clause 5.9(a) to cash, and apply any such cash in the priority set out in clause 5.9(b).
- (d) If the Trustee cannot within 12 months from the date of conversion of non-cash consideration, contact the Participant to pay any balance of the proceeds of conversion, then the Trustee may lodge it as unclaimed money with the Queensland Public Trustee..

6. Trustee

6.1 Powers

The Trustee, for the sole purpose of exercising its powers and discharging its obligations under this Deed and the Plan (and for no other purpose), has all the powers in respect of the Trust that it is legally possible for a trustee that is a body corporate to have in addition to the powers, authorities and discretions vested in it by any other provision of this Deed or by law and which do not limit the powers, authorities and discretions otherwise vested in the Trustee by this Deed or by law.

6.2 Responsibilities

- (a) The Trustee must act as trustee of the Trust, until the Trustee resigns or is removed as trustee under this Deed.
- (b) Unless the Company and Trustee agree otherwise, the Trustee will, prepare and keep all necessary and proper records and accounts, transfers and other documents in connection with the affairs of, and transactions involving, the Trust.
- (c) Unless the Company determines otherwise pursuant to clause 6.2(d), Securities may not be acquired on-market by or on behalf of the Trustee during any period when the purchase of Securities is not permitted by the ASX Listing Rules, any law or instrument applicable to or adopted by the Company or during any Blackout Period, unless an exemption applies.
- (d) The Company may determine to allow Securities to be acquired on-market by or on behalf of the Trustee during a Blackout Period, where the Company

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determines that appropriate protocols have been agreed between the Company, Trustee and broker in respect of inside information.

- (e) Except as expressly provided in this Deed, the Trustee will give consideration to any request given to it by the Board, but will not be bound to act in accordance with any such request.

6.3 Obligations

- (a) The Trustee will ensure that dividends or other distributions or Income received by the Trustee in respect of Allocated Trust Property and General Trust Property will be paid into one or more bank accounts maintained by the Trustee for that purpose.
- (b) Where dividends or other distributions or Income received by the Trustee are paid into one bank account, the Trustee will ensure that appropriate processes are in place (including relevant reconciliations and other written records) such that any Allocated Trust Property can be identified for each Participant

The Trustee must ensure that gains on the sale of Securities be accounted for as gains on General Trust Property. Where gains are paid into one bank account, the Trustee must ensure that appropriate processes are in place (including relevant reconciliations and other written records)

- (c) The Trustee will in respect of the General Trust Property, where a determination or resolution of the Trustee has been made for the benefit of the Beneficiaries in respect of dividends, other Income or amounts arising from the sale of Securities, transfers or disposal of the Trust Fund:
 - (i) determine such amounts as Income or Capital of the Trust Fund; and
 - (ii) ensure the Beneficiary will have an immediate vested indefeasible interest in and to that part of the Income or Capital so distributed to the Beneficiaries for the Financial Year to which the determination or resolution relates.
- (d) The Trustee will generally carry out, or procure the carrying out of, the administrative work necessary for the purposes of the holding of the Trust Fund and transfers of the Trust Fund.
- (e) The Trustee may separately record the following categories of Income or Capital (or their proceeds) in the accounts of the Trust which are:
 - (i) dividends which:
 - (A) are fully or partly franked;
 - (B) are unfranked;
 - (C) a foreign tax or other credit, offset or withholding attaches to;
 - (D) have or give rise to any other separately identifiable taxation consequence or benefit;
 - (ii) net capital gains;
 - (iii) attributed foreign income;
 - (iv) Income to which a foreign tax or other credit, offset or withholding attaches;

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- (v) other assessable foreign source Income;
 - (vi) other Income which is exempt from tax or subject to differing rates of tax or tax treatment;
 - (vii) other Income which has or gives rise to any other separately identifiable taxation consequence or benefit; and
 - (viii) for each category, a further category representing Income in the category which has been accumulated by the Trustee and on which it has paid tax.
- (f) The Trustee may identify and separately record and maintain in the books of accounts of the Trust, Income or Capital having, or in respect of which there is attached, individual or unique characteristics other than as referred to in clause 6.3(e).
- (g) A resolution or determination of the Trustee by which Income of a Financial Year or Capital is distributed or accumulated may at the discretion of the Trustee separately deal with all or part of the Income or Capital of a category, so that all or part of that Income or Capital may be specifically or separately allocated and identified in a distribution to any Beneficiaries or in any accumulation.
- (h) Notwithstanding any other provisions of this Deed, if any Beneficiary has not provided their Tax File Number (TFN) to the Trustee, the Trustee must withhold TFN withholding tax from the Income distributed to them.

6.4 Prohibitions

The Trustee must not:

- (a) subject to clause 6.4(b) breach the Plan or do any act or omit to do any act that would contravene the Plan or cause a Beneficiary to be in breach of the Plan;
- (b) offer, issue or acquire any Security or any right to any Security if doing so would contravene the Corporations Act, the ASX Listing Rules or any other applicable law;
- (c) subject to clauses 5.4(c) and 5.9(b), levy or otherwise seek any fees, remuneration, deposit or payment from Beneficiaries or the Trust Fund for operating the Trust;
- (d) use any property of the Trust Fund as security or otherwise cause, create or permit any charge, mortgage, lien or any other encumbrance over the Trust Fund to subsist except with the written consent of a Participant in respect of that Participant's Allocated Trust Property; or
- (e) hold fractions of Shares as a part of a Participant's Allocated Trust Property.

6.5 Warranties

The Trustee represents and warrants to the Company on the date of appointment as trustee of the Trust and throughout the term of its appointment as trustee of the Trust that:

- (a) it is duly incorporated and validly exists under the law of its place of incorporation;
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this Deed in accordance with its terms;
- (c) it has full power to enter into and perform its obligations under this Deed and can do so without the approval or consent of any other person;

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- (d) its obligations under this Deed are valid and binding and are enforceable against it in accordance with its terms;
- (e) the execution, delivery and performance by it of its obligations under this Deed complies with and will not result in a breach of:
 - (i) any applicable law, regulation, authorisation, ruling, judgment, order or decree of any government agency which is binding on it;
 - (ii) its constitution; or
 - (iii) any other document which is binding on it;
- (f) in relation to its solvency:
 - (i) it is not insolvent, in liquidation or administration and no proceedings have been brought or threatened for the purpose of winding it up or placing it in administration;
 - (ii) no petition or other process for winding-up has been presented or threatened against it and there are no circumstances justifying such a petition or other process;
 - (iii) no writ of execution has been issued against it and is outstanding; and
 - (iv) no receiver, receiver and manager or other controller, administrator or similar official has been appointed over any part of its undertaking or assets and there are no circumstances (including execution of this Deed) justifying an appointment; and
- (g) it has all licences necessary to carry out its obligations under this Deed, such that:
 - (i) all conditions which apply to each licence have been (or will be) complied with in all material respects;
 - (ii) no licence has been breached by it or is likely to be suspended, cancelled, refused, materially altered, not renewed, or revoked; and
 - (iii) it will at all times comply with its obligations imposed by law with respect to its role as trustee of the Trust and its obligations under this Deed.

6.6 Remuneration

The Trustee is entitled to remuneration in respect of the performance of its obligations in the amounts and on the terms of which are agreed between the Trustee and the Company.

6.7 Inspection of accounts

The books of account of the Trust must be available for inspection by Participants during normal business hours, or other times agreed between the Trustee and relevant Participants, free of charge, on prior written request.

6.8 Audit

The Trustee may in its sole discretion appoint an auditor of the Trust and cause the books of account to be audited by that auditor for the relevant Financial Year. The Board may make a recommendation in regard to the appointment of an auditor, although the Trustee is not required to accept any such recommendation.

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6.9 Removal and resignation of the Trustee

- (a) The Trustee is removed as the trustee of the Trust where:
 - (i) the Company serves the Trustee with a notice of removal as trustee and after any notice period has passed or any procedure has been complied with, as set out in any applicable contract between the Company and the Trustee; or
 - (ii) a breach of clause 6.5(f) occurs.
- (b) The Trustee resigns as trustee of the Trust when the Trustee gives a notice of resignation as trustee of the Trust to the Company and any notice period has passed, as set out in any applicable contract between the Company and the Trustee.

6.10 New trustee and transfer of assets

- (a) Where the Trustee is removed or resigns as trustee of the Trust, the Company will appoint a new trustee which will become the Trustee of the Trust.
- (b) A Trustee who has resigned or been removed as trustee must execute all transfers, deeds or other documents necessary to transfer the Trust Fund into the name of the new trustee and deliver all books and records relating to the Trust to the new trustee.

6.11 Release of Trustee

- (a) Subject to clause 6.11(b), on ceasing to be the trustee of the Trust, the Trustee is released from all obligations and liability under this Deed.
- (b) Clause 6.11(a) does not affect any liability of the Trustee in respect of any act, omission, matter or thing occurring before the Trustee ceased to be the trustee.

7. Company obligations

7.1 Covenants with Trustee

The Company covenants with the Trustee as follows:

- (a) the Company will make available to the Trustee full facilities and information to ensure that the provisions of this Deed may be and are fully complied with;
- (b) the Company will keep the Trustee in funds necessary to do any act requested by the Group; and
- (c) the Company will pay or otherwise reimburse the Trustee for all reasonable costs and expenses in administering this Trust, including the Trustee's remuneration.

7.2 Indemnify Trustee

- (a) To the extent permitted by law, and without derogating from the right of indemnity given by law to trustees, the Company hereby covenants with the Trustee that it will indemnify and keep indemnified the Trustee and its officers in respect of all liabilities, costs and expenses incurred by the Trustee and its officers acting reasonably that may arise out of or in connection with acting as Trustee and in performing its obligations as Trustee or executing or purporting to execute any of the powers, authorities or discretions vested in the Trustee and from and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted other than, and not in respect of, any liability attributable to the negligence or wilful default of the Trustee or its officers, employees or agents.

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- (b) The Trustee will not be under any liability whatsoever except for its negligence or wilful default or for the negligence or wilful default of its officers, employees or agents.
- (c) Nothing in this clause enables the Trustee to recover any liabilities, costs and expenses from any Beneficiary.

8. Termination of Trust

8.1 Termination date

Subject to clause 8.2, this Trust terminates:

- (a) the day before the 80th anniversary of the date of this Deed;
- (b) if permitted by law, any later date that the Trustee appoints by written instrument to be the vesting day;
- (c) upon an order being made or an effective resolution being passed for the winding up of the Company (other than for the purposes of an amalgamation or reconstruction); or
- (d) on that date which the Board determines that the Trust is to be wound up.

8.2 Winding up

If the Company informs the Trustee that the Trust is terminated, the Trustee must, as soon as reasonably practicable, wind up the Trust and transfer the Trust Fund or the proceeds on sale of the Trust Fund (as appropriate):

- (a) in relation to Allocated Trust Property, to the appropriate Participant; and
- (b) in relation to General Trust Property,
 - (i) transfer any Securities to one or more Beneficiaries at the discretion of the Trustee, having regard to any corresponding request from the Board;
 - (ii) sell or convert into money any remaining investments of the Trust;
 - (iii) pay out any debts and liabilities in relation to the Trust; and
 - (iv) the balance of the Trust to be distributed to the Queensland Public Trustee.

9. Non-resident beneficiaries

- (a) Despite anything else set out in this Deed, the Board may direct that all or that part of the Trust Fund be held for Non-Resident Beneficiaries as a separate and distinct trust fund (**Non-Resident Beneficiary Trust Fund**) from the balance of the Trust Fund.
- (b) The Trustee holds the Non-Resident Beneficiary Trust Fund in accordance with the rules of a plan adopted for Non-Resident Beneficiaries or with the rules of the Plan applicable to Non-Resident Beneficiaries.
- (c) Subject to clause 9(b) the terms of the Non-Resident Beneficiary Trust Fund are as outlined in clauses 2 to 8 of this Deed as if the references in those clauses:
 - (i) to Beneficiaries, were references to Non-Resident Beneficiaries;

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- (ii) to the Trust, were references to the Non-Resident Beneficiary Trust Fund; and
- (iii) to the Trust Fund, were references to the part of the Trust Fund held for the benefit of Non-Resident Beneficiaries.
- (d) A separate trustee may be appointed to the Non-Resident Beneficiary Trust Fund if required.
- (e) Notwithstanding any other provisions of this Deed, the Trustee must withhold appropriate withholding tax from the Income distributed to the Non-Resident Beneficiary.

10. General

10.1 Amendments

- (a) Subject to clause 10.1(c), any applicable law and the ASX Listing Rules, the Company and the Trustee may at any time by deed amend all or any of the provisions of this Deed (including this clause 10.1).
- (b) The Trustee must not unreasonably withhold or delay its consent to any amendment to this Deed proposed by the Company.
- (c) No amendment of the provisions of this Deed may be made which reduces the rights of any Participant in respect of Securities acquired under the Plan prior to the date of the amendment, other than an amendment introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future law or the ASX Listing Rules, or a requirement, policy or practice of the Australian Securities and Investments Commission or other foreign or Australian regulatory body;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable contributions or other amounts paid by a Group Company to the Plan to qualify as income tax deductions for that or another Group Company;
 - (iv) to enable the Company to reduce the amount of tax or impost that would otherwise be payable by the Company in relation to the Plan;
 - (v) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the Plan; or
 - (vi) to enable the Plan or any member of the Group to comply with the Corporations Act, the ASX Listing Rules or its constitution.

10.2 No agency

Nothing in this Deed or the Plan, is intended to create an agency relationship between the Trustee and the Company.

10.3 Counterparts

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this Deed by signing any counterpart.

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10.4 Governing law and jurisdiction

This Deed is governed by the law applicable in Queensland. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Queensland.

10.5 Stamp duties

The Company:


- (a) must pay all stamp duties and any related fines and penalties in respect of this Deed; and
- (b) indemnifies the Trustee against any liability arising from failure to comply with clause 10.5(a).

Signing page

Executed as a Deed

Company


Signed by **Ecofibre Industries Operations Limited** ACN 140 245 263 under s.127(1) of the *Corporations Act 2001*



sign
Director

office (director or secretary)
Jonathan Peter Macdonald

full name



sign
Secretary

office (director or secretary)
Jonathan Brown

full name

Trustee

Signed by **Pacific Custodians Pty Limited** ACN 009 682 866 under s.127(1) of the *Corporations Act 2001*



sign
office (director or secretary)
ANDREW MACLACHLAN

full name



sign
office (director or secretary)
JOHN HAWKINS

full name