



ECOFIBRE

**NOTICE OF
GENERAL
MEETING**



Letter from the Chairman



Dear fellow shareholder,

On 17 January 2024 Ecofibre Limited (Ecofibre or Company) notified shareholders that it had received a notice pursuant to section 249D of the Corporations Act 2001 (Cth) (Corporations Act), from Phil Warner Pty Ltd <The Phil Warner Fam A/C>, a shareholder holding more than 5% of the votes which may be cast at a general meeting of the Company (Notice).

The notice requested a specific resolution be considered at a general meeting of shareholders.

“That, pursuant to and in accordance with the Company's constitution and for all other purposes, Mr Alexander James Goff Keach, having consented to act as a director of the Company, be appointed as a director of the Company with effect from the passing of this Resolution.”

Pursuant to this, a general meeting will be held in person on Wednesday, 28 February 2024, starting at 11:00am Australian Eastern Daylight Time to consider this resolution. The meeting will be held at the offices of Colin, Biggers and Paisley, Level 42, 2 Park Street, Sydney NSW 2000. The meeting will consider only one item of business, the above resolution.

Please see the Explanatory Notes below that profiles the resolution, the Board's recommendation that shareholders vote AGAINST the resolution, and in Schedules 1 and 2, Mr Warner's arguments FOR the appointment of Mr Keach.

If you are unable to attend personally and vote at the meeting, I encourage you to appoint a proxy to vote on your behalf. You can do this online, via the share registry's website at investorcentre.linkmarketservices.com.au or using the enclosed proxy form.

Please remember that there are options for how you receive communications. Ecofibre does not send physical meeting documents unless a shareholder requests a copy to be mailed. For further information, please see <https://ecofibre.com/investors/shareholder-services/>

Thank you for your continued support of Ecofibre.

Yours sincerely,

A handwritten signature in black ink that reads "Vanessa Wallace". The signature is written in a cursive, flowing style.

Vanessa Wallace
Chairman





Notice of Meeting

NOTICE IS GIVEN that a General Meeting of Ecofibre Limited ACN 140 245 263 (**Ecofibre** or **Company**) will be held in person at the offices of Colin, Biggers and Paisley, Level 42, 2 Park Street, Sydney NSW 2000 on Wednesday, 28 February 2024, starting at 11:00am AEDT.

If you are unable to attend the General Meeting, please complete a proxy form via the share registry's website at investorcentre.linkmarketservices.com.au or complete and return the enclosed proxy form in accordance with the specified directions in this Notice of Meeting and on the proxy form. This Notice of Meeting should be read in conjunction with the Explanatory Notes which are attached to this Notice of Meeting.



Items of Business

Voting Items

Resolution 1 – Appointment of Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with the Company's constitution and for all other purposes, Mr Alexander James Goff Keach, having consented to act as a director of the Company, be appointed as a director of the Company with effect from the passing of this Resolution."

No voting exclusion applies to this resolution. No restriction on voting applies to this resolution.

Detailed explanations of the background to this resolution are set forth in the Explanatory Notes.

Explanatory Notes

The Explanatory Notes that follow form part of the Notice of Meeting and provide important information regarding the items of business to be considered at the General Meeting.

The Directors recommend that Shareholders read these Explanatory Notes before determining voting on the Resolutions in the Notice of Meeting. If you have any questions regarding the matters set out in these Explanatory Notes, please contact the Company Secretary, your stockbroker, your accountant, your solicitor or other professional adviser.

This Notice of Meeting has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Notice of Meeting may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Notice of Meeting should inform themselves of, and observe, any such restrictions.

To assist the Company to conduct the Meeting, the Company may collect personal information including names, contact details and shareholding details of Shareholders and the names of persons appointed by Shareholders to act as a proxy at the Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, and the Company's advisors and relevant agents. Shareholders have certain rights to access their personal information that has been collected and should contact the Company Secretary if they wish to access their personal information.

Voting Items

Resolution 1 is an ordinary resolution which is carried if a simple majority of the votes cast on the resolution by Shareholders entitled to vote on the Resolution are in favour.

Resolution 1 – Appointment of Director

Requisitioning Shareholder Statement

On 25 January 2024 Ecofibre received a request for Directors to issue a members statement pursuant to Section 249P of the Corporations Act. The notice requested that Directors distribute to all members the statement now appended to this notice as Schedule 1.

Details of the Consent to Act and Nominee Qualifications advised by the nominated director are set out in Schedule 2.

Board Comments

The Board unanimously recommends AGAINST the resolution.

The Board does not believe that the nominated director should be appointed as a director of the Company. This conclusion was reached having regard to a number of factors, including the following:

- *Rapid and effective decision making:* The business portfolio, operations and financial structure of Ecofibre are undergoing a period of rapid change, and a cohesive Board with deep experience of existing operations is particularly important at this time.

Following the departure of the Company's CEO in November 2023, the Board's ongoing review of the Company's business portfolio is accelerating, and a number of key actions have been progressed in December 2023 and January 2024.

The Company's Chairman has assumed an interim executive role, and all Board members have significantly increased the amount of time devoted to the affairs of the Company. The Board and management team are working well together to navigate the many challenges and opportunities present in Ecofibre's businesses.

The time required to effectively onboard a new director will be significant, and at present the Board considers this is not an optimal use of the Company's resources.

The Board notes that Ecofibre's business portfolio is particularly complex considering its size, spanning a range of industries, geographies, product markets, suppliers and customer segments. The Board is seeking to simplify the Company's business model to focus on core operations, return its business to positive operating cashflows, and reduce financial risk in the Company's balance sheet and operations.

Once this has been achieved the Board expects that this may be a natural point to change or add to the skills and experience of the Board.

- *Skills and experience:* The Board regularly considers the mix of skills and experience required to oversee and govern the business of the Company.

The Board acknowledges the skills and experience which the nominated director, Alex Keach, has set out in Schedule 2.

The Board notes that, as Ecofibre's business continues to change as part of the Board's ongoing review of the Company's business portfolio, part or all of the experience of the nominated director may become less relevant to the ongoing operations of the Company. The Board also notes that the Company is able to and does engage outside consultants as subject matter experts on topics where it considers the Company does not have the requisite skills or experience available internally.

- *Board size and cost:* On 20 February 2023, Ecofibre reduced the number of non-executive directors on its Board from five to four, and the Board does not consider it appropriate to increase back to five at this time.

The Board also notes that in 2022 the non-executive directors accepted a 25% reduction in their cash fees in order to support the cash position of the Company. Over the last 18 months the Company has also been focussed on substantially reducing its operating costs across the business, including a significant reduction in total staff headcount.

- *Potential conflicts:* the nominated director is currently a director of ECS Botanics Holdings Ltd (ECS Botanics), a company that has significant operations in the Australian cannabinoid products industry.

Both Ananda Hemp and ECS Botanics are focused on the medicinal cannabis market. Whilst today they have different focuses, the potential for conflict of interest is real. Whilst conflicts can often be managed, with the Director stepping out of discussions or information flow, it can be quite disruptive to the Board dynamics.



Schedule 1 and 2

Dear Ecofibre Shareholders,

We refer to the notice that we served on Ecofibre Limited (ACN 140 245 263) (**EOF** or the **Company**) on 11 January 2024, requesting the Directors of the Company to call and arrange to hold a general meeting pursuant to section 249D of the *Corporations Act 2001* (Cth) (**Act**) (**249D Notice**) to consider a resolution to appoint Alex Keach as a Director of the Company.

We consider that the appointment of Alex Keach will be of great value to the Company. We explain our reasoning for the proposed Director appointment below.

BACKGROUND

Since Phil Warner's resignation from the Company prior to the IPO, the Company Board has never appointed a replacement Director with any substantial level of hemp industry experience or knowledge. At the time of IPO, there was NO-ONE on the Board with any hemp expertise or specialised skills in the cannabis sector.

This shortfall was further exacerbated by the CEO's and Board's refusal to accept the mentorship, advice or guidance offered by Phil Warner relating to significant hemp related decisions. It is now apparent that this lack of knowledge has resulted in the Company losing its advantage as a leading global hemp Company.

Soon after the Company's 2023 AGM, the CEO, Eric Wang resigned, effective immediately. Eric was from the finance and business sector, and had no prior hemp industry experience or knowledge. Due to the sudden resignation of Eric Wang, the EOF Board is short a Director with any working knowledge of the current markets, and has been left with a vacuum of the continuity of the existing business.

Without the necessary knowledge, the Company is unlikely to recognise and execute upcoming opportunities.

WHY YOU SHOULD VOTE 'YES'

Despite EOF becoming more focused on the manufacturing aspects of the Company, many of the manufactured goods and supply contracts are still hemp related, e.g. Hemp Black, Ananda Health. EOF prides itself on owing one of the "largest collections of hemp seed genetics" (Annual Report 2023). EOF-Bio, (essentially a separate IP company partially funded by a select group), is also specifically related to hemp cannabinoids.

In the future, should EOF propose to either restructure or divest any hemp related assets, the EOF Board still requires a Director who is a "hemp industry insider" and has an in depth knowledge about the industry. It is only with the addition of people who have the related skills and industry knowledge that the true value of the Company can be recognised and maximised.

In the Company's Annual Report, the Chair stated that, "As Ecofibre has evolved the Board has also evolved in line with the business". Obviously, hemp/cannabis is still a significant part of the Company's business, and the reason for investors buying shares at the IPO 5 years ago. We invested in a hemp Company.

In the present circumstances EOF finds itself in, it is questionable whether the Board possesses the specific hemp skills set required to maximise the current value of the Company, and to maximise the value of the Company in the event of any future restructure or divestment of assets.

Therefore, it can only be of benefit to the existing Board and the Company as a whole, if this is rectified with the appointment of a new independent Director with the appropriate industry-based skills.

Our recommendation to the Board and the Shareholders is that **Alex Keach** be appointed to fill the vacant position on the Board.

Alex has:

- Broad expertise across the hemp industry in Australia and overseas, and understands all the complexities; **the existing Board doesn't know what it doesn't know: Alex will help fill this void.**
- A full understanding of the hemp / cannabis supply chain.
- A respected reputation for building innovative production systems in the hemp/cannabis supply chains.
- An understanding of the value in EOF's existing business units and has industry contacts globally for EOF to leverage in the event of selling or growing assets.
- Successfully built manufacturing facilities and executed agreements world-wide, including with one of the worlds' largest pharmaceutical companies.
- A unique understanding of global industry, current, upcoming and regulatory matrix which will assist the Board in making informed decisions, for the best outcomes.

Alex was the founder of, and is presently a non-executive Director of, ECS Botanics Holdings Limited, a listed GMP Pharmaceutical Medical Marijuana company growing organic crops in Australia for the Australian and EU market. He has no conflict of interest in relation to EOF's diverse operations. EOF is not involved in the GMP Pharmaceutical high THC Medical Marijuana industry. Both companies operate in different sectors of business in the multifaceted hemp industry spectrum.

Alex is sincere and affable, with a passionate founder-led mentality which is required for companies to survive and thrive in nascent industries. With the skills and knowledge he brings, he would be a valuable addition to the Board that can only benefit the Company and Shareholders.

CONCLUSION

Ecofibre needs a Board member who understands the complex and evolving business of hemp/cannabis.

The Directors of EOF have an obligation to ensure that the Board consists of a comprehensive and complete skills matrix. The Board experience lacking since EOF launched its IPO, is someone with experience in the hemp industry, its supply chain and its consumers

Alex Keach will fill this void.

Note that the 'Company Values' state that, *"A great company has accountable individuals"*.

As a valued Shareholder, you have the opportunity to make the Board accountable, and to vote for the appointment of Alex Keach as a Director.

PROCESS

Unfortunately, the Board has elected to hold this meeting in person only. Given that many shareholders are overseas or interstate, we encourage you to send any questions to Phil Warner or Alex Keach prior to the meeting.

If you cannot attend the meeting, PLEASE ensure that your voice is heard by giving your PROXY vote to PHIL WARNER.

Regards,

For and on behalf of

Phil Warner Pty Ltd <The Phil Warner Fam A/C>



Phil Warner

Director

Phil Warner Pty Ltd

Schedule 2 – Consent to Act and Nominee Qualifications

CONSENT TO ACT AS A DIRECTOR OF ECOFIBRE LIMITED (ACN 140 245 263)

I, Alexander James Goff Keach, consent to act as a director of Ecofibre Limited ACN 140 245 263 (the **Company**) and confirm my candidature for the office as a director of the Company.

I provide the following information in accordance with the *Corporations Act*

2001 (Cth): Full Name: Alexander James Goff Keach

Former Names: N/A

Date of birth: 20/07/1981

Place of birth: Hobart Tasmania

Address: 10/42 Muston Street Mosman 2088

I confirm that I will have sufficient time to fulfil my responsibilities as a director of the Company.



Name: Alexander James Goff
Keach Date: 10/01/2024

NOMINEE QUALIFICATIONS

- (a) Experience and expertise
- Degree in Rural Business Management from Marcus Oldham Agricultural College and Deakin University
 - PS146 Accreditation –Managed Investments Margin Lending and Geared Investments, ASX Accredited Derivatives Adviser.
 - Graduate Australian Institute Company Directors
 - Past Roles – Advisor Bell Potter Securities, head of advisors and director at Chancellor Portfolio Services
 - Chairman of Tasmanian Agricultural producers

- Current Directorships;
 - Founder and Non-Executive Director of ECS Botanics Holdings Ltd – previously a hemp company now solely focussed on medicinal cannabis cultivation and manufacturing in Victoria. ECS utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Australian Therapeutic Goods Administration to manufacture GMP (equivalent to PIC/S, EU agencies are all PIC/S members) certified products, ECS has become a leading provider of high quality, affordable medicinal cannabis. A profitable business exporting to Europe, United Kingdom and New Zealand.
 - Director of Maverick Agriculture – Farming and rural land developer
- Broad and nuanced understanding of the hemp across food, fibre, cannabinoids, genetics, import/export, UN single convention on narcotics (inc hemp) down to state acts and legislation, plant breeding, cultivation, processing and manufacturing.
- Creative and forward thinker, with experience in strategic planning and the implementing major changes across an organisation, including acquisitions, divestments, and the communications/messaging to shareholders other stakeholders

(b) Other current directorships

ECS Botanics Holdings Ltd (non-executive director)

(c) Former listed directorships in

last 3 years N/A

Voting Instructions

Entitlement to Attend and Vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons entitled to attend and vote at the Meeting as a Shareholder are those persons who are registered holders of shares of the Company at 7:00pm (Australian Eastern Daylight time) on Monday 26 February 2024.

The Company encourages you to register your voting instructions in one of the ways detailed below.

Voting by proxy

1. If you are a Shareholder entitled to attend and vote at the General Meeting, you may appoint an individual or a body corporate as a proxy to vote on your behalf by completing the enclosed Proxy Form.
2. In accordance with section 249L of the Corporations Act, members are advised that:
 - (a) each member has a right to appoint a proxy;
 - (b) the proxy need not be a member of the Company; and
 - (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with clause 14.3(d) of the Constitution, each proxy may exercise one-half of the votes.
3. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - (a) the full name of the body corporate appointed as proxy; and
 - (b) the full name or title of the individual representative of the body corporate to attend the Meeting.
4. Proxy appointments in favour of the Chairman will be voted by the Chairman against the Resolution proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy.
5. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.

Voting by Corporate Representative

6. A body corporate that is a Shareholder, or that has been appointed as a proxy, must ensure that it appoints an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the General Meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Voting by Attorney

7. A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, Clause 14.8 of the Constitution requires that the instrument effecting the appointment (or a certified copy of it) must be received by the Company no later than 11:00am on 26 February 2024.

Lodgement

9. To be effective, your Proxy Form must be received by the Company no later than **11:00am** (Australian Eastern Daylight time) on Monday **26 February 2024** by one of the following methods:

(a) by post using the pre-addressed envelope provided with this Notice to:

Ecofibre Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South
NSW 1235
Australia

(b) by faxing to:

Ecofibre Limited, on
02 9287 0309 (within Australia); or
+61 2 9287 0309 (outside Australia)

(c) online, by visiting:

www.linkmarketservices.com.au and logging in using the Single Holding Login or via your Portfolio.

The Company reserves the right to declare invalid any Proxy Form not received by one of the above methods.

Glossary

In used in the Explanatory Statement and the Notice of Meeting:

AEDT	means Australian Eastern Daylight Time.
ASX	means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691 and includes any successor body.
ASX Listing Rules	means the listing rules of the ASX from time to time.
Board	means the Company's board of Directors
Chairman	means the chair of the General Meeting.
Company	means Ecofibre Limited ACN 140 245 263
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Explanatory Notes	means the Explanatory Notes that accompany and forms part of the Notice of Meeting.
Meeting or General Meeting	means the annual general meeting of the Company the subject of this Notice of Meeting.
Notice of Meeting or Notice	means the notice of meeting which these Explanatory Notes accompany.
Proxy Form	means the proxy form accompanying this Notice or an equivalent online electronic proxy form.
Resolution	means the resolutions in the Notice of Meeting.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a holder of Shares.