

ASX Announcement
22 April 2022

ELIXINOL WELLNESS LIMITED
2022 ANNUAL GENERAL MEETING

Elixinol Wellness Limited (**Elixinol Wellness** or the **Company**) (**ASX:EXL**) wishes to advise that the 2022 Elixinol Wellness Annual General Meeting (**AGM**) will be held on Thursday, 26 May 2022, commencing at 9.00am (Sydney time) as a virtual meeting.

In accordance with Listing Rule 3.17.1, attached are the following documents:

1. A letter to Shareholders outlining how to access the Notice of Meeting, lodge a Proxy form and participate in the AGM;
2. Notice of Annual General Meeting;
3. Proxy Voting Form; and
4. Electronic Communication form.

This document was authorised to be given to the ASX by the Board of the Company.

Investor relations please contact:

Ron Dufficy, Interim Global CEO
ron.dufficy@elixinolwellness.com

About Elixinol

Elixinol Wellness Limited (ASX:EXL) is a global leader in the hemp industry, innovating, marketing and selling hemp derived nutraceutical, cosmetic and food products. The Company's simplified business model is focusing on:

- In the Americas, innovating, marketing and selling high quality Elixinol branded hemp derived nutraceutical and skincare products based in Colorado, USA
- In Australia, Hemp Foods Australia is a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and branded raw materials, and finished products
- In the United Kingdom, South Africa, Japan, Brazil, Mexico and Malaysia (pending approvals), Elixinol branded products are available to consumers via exclusive Distribution and/or Trademark and Know-How Licensing Agreements
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived products through reputable distributors as key markets open.

See more at www.elixinolwellness.com

*** ATTACHMENTS ***

22 April 2022

Dear Shareholder,

Annual General Meeting — Notice and Proxy Form

Notice is hereby given that the Annual General Meeting (**AGM**) of Elixinol Wellness Limited (ASX: EXL) (**Elixinol** or the **Company**) will be held at 9:00am (Sydney time) on Thursday, 26 May 2022 as a virtual meeting and via webcast (**Meeting**).

The Meeting can be accessed at:

https://us02web.zoom.us/webinar/register/WN_HZqmi3Z7SPGmyC_vAaclwg

The Notice of Meeting, Proxy Form and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website at <https://www.elixinolwellness.com/site/investor/annual-general-meeting>
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the proxy form.
- Paper copies of the Notice of Meeting, Proxy Form and Annual Report can be obtained by contacting the share registry using the contact details in this notice.

If you would like to receive electronic or paper-based communications from the Company in the future, please update your communication elections online at <https://investor.automic.com.au>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Automic Limited on meetings@automicgroup.com.au or 1300 816 159 (within Australia) or +61 2 8072 1479 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.

Enquiries

Shareholders are encouraged to contact the Company Secretary on +61 2 4044 4585 if they have any queries in respect of the AGM.

Yours faithfully,

Teresa Cleary

General Counsel and Company Secretary

22 April 2022

Dear Shareholder,

On behalf of the Directors of Elixinol Wellness Limited (**Elixinol**), I am pleased to invite you to attend the 2022 Annual General Meeting (**AGM**) of Elixinol. Enclosed is the Notice of Meeting (**Notice**) setting out the business of the AGM.

Elixinol's 2022 AGM will be held on Thursday, 26 May 2022 commencing at 9.00am (Sydney time) as a virtual meeting and via webcast (**Meeting**). The Meeting will include an online voting facility as well as a facility for shareholders of Elixinol (**Shareholders**) to ask questions in relation to the business of the meeting.

Shareholders who elect to attend and vote at the online virtual meeting can do so via the virtual meeting platform at: https://us02web.zoom.us/webinar/register/WN_iiqHxsvVTYiskDEKRAXlGw per the details set out in this Notice. This URL can be accessed on Elixinol's website at: <https://www.elixinolwellness.com/site/investor/annual-general-meeting>

In addition, Shareholders can vote their shares prior to the AGM by lodging the proxy form attached to the Notice by no later than 9.00am (Sydney time) on Tuesday, 24 May 2022.

The Directors encourage all Shareholders to read the enclosed Notice (including the Explanatory Memorandum) and the Proxy Form and either attend the online virtual Meeting or lodge a proxy form prior to the AGM and consider directing your proxy on how to vote on each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Elixinol unanimously recommend that Shareholders vote in favour of all resolutions.

Thank you for your continued support of Elixinol and I look forward to your attendance online.

Yours faithfully,

Helen Wiseman
Chair

Elixinol Wellness Limited
ABN 34 621 479 794

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders (**Shareholders**) of Elixinol Wellness Limited (**Elixinol** or the **Company**) will be held:

Date: Thursday, 26 May 2022

Time: 9.00am (Sydney time)

Venue: Online at: https://us02web.zoom.us/webinar/register/WN_HZqmi3Z7SPGmyC_vAaclwg

The AGM will be held as a virtual meeting. Accordingly, the Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform, where Shareholders will be able to watch, listen, submit written questions and vote online. Please refer to the user guide on Elixinol's website at:

<https://www.elixinolwellness.com/site/investor/annual-general-meeting>

Venue – Virtual Meeting

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_HZqmi3Z7SPGmyC_vAaclwg

After registering, you will receive a confirmation email containing information on how to attend the virtual meeting on the day of the Meeting.

Shareholders will be able to vote and ask questions at the virtual meeting.

Voting virtually on the day of the Meeting

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the Meeting:

- For personal use only
1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your username and password.
 2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
 3. **(Live voting on the day)** If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

Further information on how to participate virtually is set out in this Notice and the Online Platform Guide at: <https://www.elixinolwellness.com/site/investor/annual-general-meeting>

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 31 December 2021 (the **Reports**).

All Shareholders can view the Annual Report which contains the Financial Report for the year ended 31 December 2021 on the Company's website at:

<https://www.elixinolwellness.com/site/investor/annual-and-financial-reports>

B. QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chair will give Shareholders a reasonable opportunity to ask questions about, or comment on, the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chair will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit.

All Shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. Please email any questions to the Company Secretary (company.secretary@elixinolwellness.com) or please complete the enclosed shareholder question form and return to Automic. To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on 18 May 2022.

Questions received in advance by email or mail will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Shareholders. Shareholders will also have the opportunity to ask questions during the AGM via the virtual meeting platform.

C. ITEMS FOR APPROVAL

Resolution 1. Re-election of Director – Mr Oliver Horn

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

“That Mr Oliver Horn, who retires in accordance with clause 6.1(f)(i) of the Company’s Constitution and being eligible for election, be re-elected as a Director of the Company.”

Resolution 2. Election of Director – Mr David Fenlon

To consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

“That Mr David Fenlon, who having been appointed by the Board of the Company since the last annual general meeting, retires in accordance with clause 6.1(e) of the Company’s Constitution and being eligible, offers himself for election as a Director of the Company.”

Resolution 3. Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding ordinary resolution** of the Company:

“That the Company’s Remuneration Report for the financial year ended 31 December 2021, as set out in the Directors’ Report, be adopted.”

The Remuneration Report is contained in the 2021 Annual Report. Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 4. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Ms Helen Wiseman

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 981,153 Performance Share Rights to Ms Helen Wiseman under the Elixinol Wellness Limited Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 5. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Paul Benhaim

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 652,566 Performance Share Rights to Mr Paul Benhaim under the Elixinol Wellness Limited Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 6. Issue of Short-Term Incentive Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Oliver Horn

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 144,689 Performance Share Rights to Mr Oliver Horn under the Elixinol Wellness Limited Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 7. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr David Fenlon

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 465,753 Performance Share Rights to Mr David Fenlon under the Elixinol Wellness Limited Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 8. Approval of potential Termination Benefit for Mr Ronald Dufficy

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

“That, for the purposes of section 200(B)(1) and 200E of the Corporations Act and for all other purposes, the giving of a benefit to Mr Ronald Dufficy in connection with Mr Ronald Dufficy ceasing to hold a managerial or executive office in the Company, be approved on the terms set out in the Explanatory Memorandum.”

Resolution 9. Approval to Issue Securities under the Elixinol Wellness Limited Equity Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution** of the Company:

*“That, for the purposes of ASX Listing Rule 7.2, Exception 13 and for all other purposes, the Elixinol Wellness Limited Equity Plan (**Plan**) as described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting be approved for the issue of securities under the Plan.”*

Resolution 10. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a **special resolution** of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.”

VOTING EXCLUSION STATEMENTS AND VOTING PROHIBITIONS

For the purposes of ASX Listing Rule 14.11, the following voting exclusions statements apply to Resolutions 3 to 9.

The Company will disregard any votes cast in favour of Resolutions 3 to 9 by the named person or class of persons excluded from voting or on behalf of persons or an associate of those persons listed under the respective resolution numbers as set out below.

However, this does not apply to a vote cast in favour of Resolutions 3 to 9 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3. Remuneration Report

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2021 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act), a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.

Resolution 4. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Ms Helen Wiseman

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. Helen Wiseman; or
- b. an associate of Helen Wiseman.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - ii. the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 5. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Paul Benhaim

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a. Paul Benhaim; or
- b. an associate of Paul Benhaim.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
 - ii. the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 5 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 6. Issue of Short-Term Incentive Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Oliver Horn

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- a. Oliver Horn; or
- b. an associate of Oliver Horn.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 6 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6; and
 - ii. the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 6 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment

expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 7. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr David Fenlon

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- a. David Fenlon; or
- b. an associate of David Fenlon.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 7 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with the directions given to the proxy or attorney to vote on Resolution 7 in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 7; and
 - ii. the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 7 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 8. Approval of potential Termination Benefit for Mr Ronald Dufficy

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- a. Ronald Dufficy; or
- b. an associate of Ronald Dufficy.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 8 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (or their associates) who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 8, in accordance with the directions given to the proxy or attorney to vote on Resolution 8 in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 8, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 8; and
 - ii. the holder votes on Resolution 8 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 8 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 9. Approval to Issue Securities under the Elixinol Wellness Limited Equity Plan

For the purposes of ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 9 by or on behalf of any person who is eligible to participate in the employee incentive scheme.

A vote on Resolution 9 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2021 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 9 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 9 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 10. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

The Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2, such that there is no person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Elixinol).

BY ORDER OF THE BOARD

Teresa Cleary
General Counsel and Company Secretary
22 April 2022

ALL RESOLUTIONS BY POLL

In accordance with the Company's Constitution, the Chair intends to call a poll for each of the Resolutions proposed at the AGM. The vote for each Resolution considered at the AGM will therefore be conducted by poll, rather than a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole, and to ensure the representation of as many Shareholders as possible at the meeting.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (Sydney time) on Tuesday, 24 May 2022 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 9.00am (Sydney time) on Tuesday, 24 May 2022. Proxies must be received before that time by one of the following methods:

Online:

<https://investor.automic.com.au/#/loginsah>

By Mail:

Automic
GPO Box 5193
Sydney NSW 2001

By E-mail:

meetings@automicgroup.com.au

Alternatively you can fax your form to
(within Australia) 02 8583 3040
(outside Australia) +61 2 8583 3040

For Intermediary Online subscribers only
(custodians)

For all enquiries call:

(within Australia) 1300 288 664
(outside Australia) +61 2 9698 5414

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (Sydney time) on Tuesday, 24 May 2022 being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at <https://investor.automic.com.au/#/home>

ENCLOSURES

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Elixinol's share registry's website at <https://investor.automic.com.au/#/home> to ensure the timely and cost-effective receipt of your proxy;
- an AGM Question Form to be completed if you would like a specific question to be addressed by the Chair or Elixinol's external auditor at the AGM; and
- a reply-paid envelope for you to return either or both the proxy form and AGM Question Form.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's AGM to be held on Thursday, 26 May 2022.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that the Directors believe is reasonably required by Shareholders to decide how to vote upon the Resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

Resolutions 1, 2 and 4 - 9 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the Resolution. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. Resolution 10 is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolution must be in favour of the Resolution.

Resolution 1. Re-Election of Director – Mr Oliver Horn

Resolution 1 seeks the re-election of Mr Oliver Horn a Director who is retiring by rotation. In accordance with clause 6.1(f)(i) of the Constitution, and ASX Listing Rule 14.4, Oliver Horn retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company. By virtue of his previous executive role within the Company in the past three years, Mr Horn is not considered an Independent Director. If shareholders do not approve the election of Mr Horn, then Mr Horn will cease to be a director at the conclusion of the Meeting.

Mr Horn was appointed as an Executive Director of the Company on 6 April 2020.

Mr Horn was appointed as Global Chief Executive Officer (**Global CEO**) on 21 April 2020. Mr Horn resigned as Global CEO on 28 March 2022, with the resignation effective on 8 April 2022.

Mr Horn was previously CEO of Swisse Wellness for Australia and New Zealand (ANZ) and North America and previously held senior operational leadership positions at Treasury Wine Estates across ANZ, Europe, Middle East and Africa.

With an established track record for exponential growth in established and emerging markets, Mr Horn has extensive experience in building premium global consumer brands, a deep knowledge of the vitamins, minerals and supplements category, a track record of premium brand building and a passion for creating businesses with a positive and thriving workplace culture.

The Board supports the re-election of Mr Horn as he contributes to the Board significant experience in the areas of retail, consumer branding and marketing and workplace culture.

For the reasons set out above, the Directors, with Mr Horn abstaining, unanimously recommend Shareholders vote in favour of Resolution 1.

Mr Horn is a member of the Audit and Risk Committee and is a member of the Nomination and Remuneration Committee.

The Directors, with Mr Oliver Horn abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 2. Election of Director – Mr David Fenlon

The Board appointed Mr David Fenlon as an independent non-executive Director of the Company pursuant to clause 6.1(d) of the Constitution on 28 March 2022. In accordance with clause 6.1(e) of the Constitution, Mr Fenlon retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company. If shareholders do not approve the election of Mr Fenlon, then Mr Fenlon will cease to be a Director at the conclusion of the Meeting.

ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity. Prior to Mr Fenlon's appointment, the Company completed several background and screening checks including in relation to Mr Fenlon's character's experience and qualifications, criminal history, bankruptcy, with no adverse findings.

The Board also considered whether Mr Fenlon had any interest, position or relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Corporate Governance Council Principles & Recommendations (4th edition) (**ASX Principles**). The Board considers that Mr Fenlon (if elected), will be an independent Director.

Mr Fenlon has over 30 years of experience in the FMCG and consumer sectors. He is currently CEO of The Platform Alliance Group, Non-Executive Chair for Nutritional Growth Solutions (ASX: NGS) and Non-Executive Director of Quest for Life Foundation. David was previously Group CEO and Managing Director of BWX Limited (ASX: BWX), and prior to that, was Managing Director for Australia and New Zealand at Blackmores Limited (ASX: BKL).

Mr Fenlon has worked with several other retail brands both in Australia and offshore, with a strong focus on strategic planning and business transformation. Mr Fenlon has held key positions in Tesco throughout Europe and Safeway in the UK. Mr Fenlon was also a member of the board of Directors for the Special Olympics from May 2017 until June 2019 and a non-Executive Director for the PAS group from June 2013 to June 2016.

Mr Fenlon brings with him both directly relevant category knowledge from his time at Blackmores, NGS and BWX, as well as distribution, regulatory and M&A expertise. His appointment fulfils the board's objective of adding an additional independent director to the Board.

For the reasons set out above, the Directors, with Mr David Fenlon abstaining, unanimously recommend Shareholders vote in favour of Resolution 2.

The Directors, with Mr David Fenlon abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 3. Remuneration Report

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company which:

- discusses The Company's policy in relation to remuneration of the KMP;
- discusses the relationship between the Board's remuneration policy and Company performance;

- details any performance conditions attached to KMP remuneration; and
- sets out remuneration details for each KMP.

Shareholders can view the full Remuneration Report in the Annual Report which is available on Elixinol's website at <https://www.elixinolwellness.com/site/investor/investor-centre-home>.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 3.

Resolution 4. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan to Ms Helen Wiseman

This resolution deals with the proposed grant of options under the Elixinol Wellness Limited Equity Plan Incentive Plan (**Plan**) to Ms Helen Wiseman, a Non-Executive Director of the Company.

The Company proposes to grant a total of 981,153 Performance Share Rights in two tranches to Ms Wiseman on 26 May 2022 under the terms of the Plan subject to shareholder approval (**proposed grant**).

The proposed grant under the Plan to Ms Wiseman is to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.

Details of the Plan are presented in the Explanatory Memorandum relating to Resolution 4 below.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme.

Accordingly, approval is sought for the proposed grant to Ms Wiseman of 981,153 Performance Share Rights in two tranches under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Elixinol without approval of shareholders in any rolling twelve-month period. However, Elixinol is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 4, if passed, will provide approval for this purpose in relation to both the Performance Share Rights and any Shares issued on vesting of those rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

If shareholders do not approve Resolution 4, the proposed issue of Performance Share Rights to Ms Wiseman will not proceed. However, to ensure Elixinol can attract and retain the right talent and align Ms Wiseman with those of shareholders, the Board considers it is important for Elixinol to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

The Company has determined that the proposed grant of Performance Share Rights under the Plan pursuant to the resolution in item 4 as part of Ms Wiseman's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Performance Share Rights grant to Ms Helen Wiseman:

Details of the Grant	<p>The proposed grant to Helen Wiseman is 981,153 Performance Share Rights in two tranches:</p> <p>Tranche A: 280,879 Tranche B: 700,274</p> <p>Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.</p>
Price payable on Grant or Exercise	No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights.
Vesting of Performance Share Rights	<p>The Performance Share Rights will vest on:</p> <p>Tranche A: 28 February 2025 Tranche B: 28 February 2026</p>
Performance Period	<p>Tranche A: 1 January 2021 to 31 December 2024 Tranche B: 1 January 2022 to 31 December 2025</p>
Date of Grant	26 May 2022 subject to shareholder approval.
Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules.</p> <p>The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p> <ul style="list-style-type: none"> • Satisfaction of absolute total shareholder return (TSR) performance hurdles for the relevant Vesting Period (TSR Performance Share Rights); and • Helen Wiseman must continue to be a Director of the Company or one of its wholly owned subsidiaries on: Tranche A: 28 February 2025 Tranche B: 28 February 2026.

Total Shareholder Return – Performance Condition	The proportion of TSR Performance Share Rights that will vest will be determined by reference to the absolute TSR of the Company during the relevant Performance Period, in accordance with the following vesting schedule:	
	Company's TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting
	Below 10%	0% of the TSR Performance Share Rights will vest
	Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest
	Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest
Tranche A: The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before 31 December 2020 which was \$0.182.		
Tranche B: The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before 31 December 2021 which was \$0.073.		
TSR Performance Share Rights that do not vest on the relevant vesting date will lapse.		

<p>Cessation of employment</p>	<p>If Helen Wiseman ceases to be a Director of the Company prior to the vesting of Performance Share Rights, the treatment will depend on the circumstances of cessation.</p> <p>Where Helen Wiseman ceases to be a Director of the Company in the event of resignation or other circumstances in which the Board determines the following treatment is warranted:</p> <ul style="list-style-type: none"> a. all unvested Performance Share Rights will lapse on the cessation of her directorship; or b. all vested Performance Share Rights will not lapse and in the case of an Exercisable Share Right will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where Helen Wiseman ceases to be engaged as a Director in the event of death, Disability or other reason (with the exception of resignation), then unless the Board, in its sole discretion, determines otherwise:</p> <ul style="list-style-type: none"> a. a Pro Rata number of Helen Wiseman's unvested Performance Share Rights will not vest or lapse as a result of her ceasing to be a Director of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived; b. the balance of her unvested Performance Share Rights will lapse; and c. any Performance Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period, as defined in the Plan Rules). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances, including allowing Helen Wiseman to retain Performance Share Rights which would otherwise lapse on the cessation of her engagement as a Director.</p>
<p>Control and Take over events</p>	<p>Where a Change of Control or Takeover event occurs in relation to the Company, the board may determine at its sole discretion that all or some of Helen Wiseman's unvested Performance Share Rights vest having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Performance Share Rights to the date of the Control or Takeover Event.</p>

ASX Listing Rule 10.15 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is included in this Explanatory Statement for that purpose:

- 10.15.1 Helen Wiseman or her nominee.
- 10.15.2 Helen Wiseman is a Director and accordingly, shareholder approval for Helen Wiseman to acquire securities under an employee incentive scheme is required.
- 10.15.3 The maximum number of Performance Share Rights to be issued to Helen Wiseman is 981,153.
- 10.15.4 Helen Wiseman's total remuneration package for FY2021 included:
- Directors fees and superannuation of \$119,280; and
 - Equity settled performance share rights of \$7,464.
 - A total remuneration package of \$126,744.

Further information regarding the remuneration of Helen Wiseman is set out in the Company's Remuneration Report which forms part of the 2021 Annual Report.

From 1 January 2022 Helen Wiseman will be paid a director's fee of \$102,240 and for the Company's UK subsidiary entity GBP\$13,560 per annum, inclusive of superannuation.

- 10.15.5 Helen Wiseman has previously received the following securities under the Plan:
62,271 Performance Share Rights were issued under the Plan on 30 July 2020 following approval by Shareholders at the 2020 Annual General Meeting held on 30 July 2020 (issued for nil financial consideration).

- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.

The Performance Share Rights are being issued to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.

The value that the Company attributes to the Performance Share Rights being issued is calculated using the Monte Carlo method:

Tranche A: \$23,395

Tranche B: \$40,200

A combined total of \$63,595

- 10.15.7 It is intended that the Performance Share Rights will be issued to Helen Wiseman on or around 26 May 2022 subject to shareholder approval. In any event the Performance Share Rights will be issued no later than three years after the date of the Meeting.

In the future, it is proposed that grants of Performance Rights or Options under the Plan will be made annually, following announcement of the Company's full-year financial results. The Board will have discretion to make grants at other times. The Plan Rules provide the Board with flexibility in relation to annual offers. Any future issues to Directors under the Plan will only be made if shareholder approval is received.

- 10.15.8 The Performance Share Rights will be issued to Helen Wiseman (and/or her nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of

- Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum. A copy of the Plan rules can be found on the Company's website at <https://www.elixinolwellness.com/site/investor/equity-plan-rules>
- 10.15.10 No loan will be provided to Helen Wiseman in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement - See section Voting Exclusion Statements and Voting Prohibitions

Resolution 4 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

The Directors considers that the award of securities to Helen Wiseman is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with Helen Wiseman abstaining from making a recommendation) that shareholders vote in favour of Resolution 4.

Resolution 5. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan to Mr Paul Benhaim

This resolution deals with the proposed grant of options under the Elixinol Wellness Limited Equity Plan Incentive Plan (**Plan**) to Mr Paul Benhaim, a Non-Executive Director of the Company.

The Company proposes to grant a total of 652,566 Performance Share Rights in two tranches to Mr Benhaim on 26 May 2022 under the terms of the Plan subject to shareholder approval (**proposed grant**).

The proposed grant under the Plan to Paul Benhaim is to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.

Details of the Plan are presented in the Explanatory Memorandum relating to Resolution 5 below.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme.

Accordingly, approval is sought for the proposed grant to Mr Benhaim of 652,566 Performance Share Rights in two tranches under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Elixinol without approval of shareholders in any rolling twelve-month period. However, Elixinol is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 5, if passed, will provide approval for this purpose in relation to both the Performance Share Rights and any Shares issued on vesting of those rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

If shareholders do not approve Resolution 5, the proposed issue of Performance Share Rights to Mr Benhaim will not proceed. However, to ensure Elixinol can attract and retain the right talent and align Mr Benhaim with those of shareholders, the Board considers it is important for Elixinol to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

The Company has determined that the proposed grant of Performance Share Rights under the Plan pursuant to the resolution in item 5 as part of Mr Benhaim's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Performance Share Rights grant to Paul Benhaim:

Details of the Grant	<p>The proposed grant to Paul Benhaim is 652,566 Performance Share Rights in two tranches:</p> <p>Tranche A: 186,813 Tranche B: 465,753</p> <p>Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.</p>
Price payable on Grant or Exercise	No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights.
Vesting of Performance Share Rights	<p>The Performance Share Rights will vest on:</p> <p>Tranche A: 28 February 2025 Tranche B: 28 February 2026</p>
Performance Period	<p>Tranche A: 1 January 2021 to 31 December 2024 Tranche B: 1 January 2022 to 31 December 2025</p>
Date of Grant	26 May 2022 subject to shareholder approval.
Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules.</p> <p>The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p>

	<ul style="list-style-type: none"> Satisfaction of absolute total shareholder return (TSR) performance hurdles for the relevant Vesting Period (TSR Performance Share Rights); and Paul Benhaim must continue to be a Director of the Company or one of its wholly owned subsidiaries on: Tranche A: 28 February 2025 Tranche B: 28 February 2026. 								
Total Shareholder Return – Performance Condition	<p>The proportion of TSR Performance Share Rights that will vest will be determined by reference to the absolute TSR of the Company during the relevant Performance Period, in accordance with the following vesting schedule:</p> <table border="1"> <thead> <tr> <th>Company's TSR over the relevant Vesting Period</th><th>Percentage of TSR Performance Share Rights Vesting</th></tr> </thead> <tbody> <tr> <td>Below 10%</td><td>0% of the TSR Performance Share Rights will vest</td></tr> <tr> <td>Greater than 10% but less than the 20%</td><td>40% of the TSR Performance Share Rights will vest</td></tr> <tr> <td>Equal to or greater than the 20%</td><td>100% of the TSR Performance Share Rights will vest</td></tr> </tbody> </table> <p>Tranche A: The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before 31 December 2020 which was \$0.182.</p> <p>Tranche B: The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before 31 December 2021 which was \$0.073.</p> <p>TSR Performance Share Rights that do not vest on the relevant vesting date will lapse.</p>	Company's TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting	Below 10%	0% of the TSR Performance Share Rights will vest	Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest	Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest
Company's TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting								
Below 10%	0% of the TSR Performance Share Rights will vest								
Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest								
Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest								

<p>Cessation of employment</p>	<p>If Paul Benhaim ceases to be a Director of the Company prior to the vesting of Performance Share Rights, the treatment will depend on the circumstances of cessation.</p> <p>Where Paul Benhaim ceases to be a Director of the Company in the event of resignation or other circumstances in which the Board determines the following treatment is warranted:</p> <ul style="list-style-type: none"> a. all unvested Performance Share Rights will lapse on the cessation of her directorship; or b. all vested Performance Share Rights will not lapse and in the case of an Exercisable Share Right will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where Paul Benhaim ceases to be engaged as a Director in the event of death, Disability or other reason (with the exception of resignation), then unless the Board, in its sole discretion, determines otherwise:</p> <ul style="list-style-type: none"> a. a Pro Rata number of Paul Benhaim's unvested Performance Share Rights will not vest or lapse as a result of her ceasing to be a Director of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived; b. the balance of her unvested Performance Share Rights will lapse; and c. any Performance Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period, as defined in the Plan Rules). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances, including allowing Paul Benhaim to retain Performance Share Rights which would otherwise lapse on the cessation of her engagement as a Director.</p>
<p>Control and Take over events</p>	<p>Where a Change of Control or Takeover event occurs in relation to the Company, the board may determine at its sole discretion that all or some of Paul Benhaim's unvested Performance Share Rights vest having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Performance Share Rights to the date of the Control or Takeover Event.</p>

ASX Listing Rule 10.15 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is included in this Explanatory Statement for that purpose:

- 10.15.1 Paul Benhaim or his nominee.
- 10.15.2 Paul Benhaim is a Director and accordingly, shareholder approval for Paul Benhaim to acquire securities under an employee incentive scheme is required.
- 10.15.3 The maximum number of Performance Share Rights to be issued to Paul Benhaim is 652,566.
- 10.15.4 Paul Benhaim's total remuneration package for FY2021 included:
 - Directors fees and superannuation of \$108,333; and
 - equity settled performance share rights of \$4,487.
 - A total remuneration package of \$112,820.

Further information regarding the remuneration of Paul Benhaim is set out in the Company's Remuneration Report which forms part of the 2021 Annual Report.

From 1 January 2022 Paul Benhaim will be paid a director's fee of \$85,000 per annum, inclusive of superannuation.

- 10.15.5 Paul Benhaim has previously received the following securities under the Plan:
900,000 Performance Share Rights were issued under the Plan on 15 May 2018 following approval by Shareholders at the 2018 Annual General Meeting held on 15 May 2018 (issued for nil financial consideration).

Paul Benhaim relinquished the above Performance Share Rights on 18 December 2019 when he stepped down as Chief Technology Officer and became a Non-executive Director on the same date.

- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.

The Performance Share Rights are being issued to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.

The value that the Company attributes to the Performance Share Rights being issued is calculated using the Monte Carlo method:

Tranche A: \$14,173

Tranche B: \$26,737

A combined total of \$40,910

- 10.15.7 It is intended that the Performance Share Rights will be issued to Paul Benhaim on or around 26 May 2022 subject to shareholder approval. In any event the Performance Share Rights will be issued no later than three years after the date of the Meeting.

In the future, it is proposed that grants of Performance Rights or Options under the Plan will be made annually, following announcement of the Company's full-year financial results. The Board will have discretion to make grants at other times. The Plan Rules provide the Board with flexibility in relation to annual offers. Any future issues to Directors under the Plan will only be made if shareholder approval is received.

- 10.15.8 The Performance Share Rights will be issued to Paul Benhaim (and/or her nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum. A copy of the Plan rules can be found on the Company's website at <https://www.elixinolwellness.com/site/investor/equity-plan-rules>
- 10.15.10 No loan will be provided to Paul Benhaim in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement - See section Voting Exclusion Statements and Voting Prohibitions

Resolution 5 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

The Directors considers that the award of securities to Paul Benhaim is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with Paul Benhaim abstaining from making a recommendation) that shareholders vote in favour of Resolution 5.

Resolution 6. Issue of Short-Term Incentive Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Oliver Horn

This resolution deals with the proposed grant of Share Rights as a short-term incentive under the Elixinol Wellness Limited Equity Plan Incentive Plan (**Plan**) to Mr Oliver Horn, a Non-Executive Director of the Company.

Resolution 6 is conditional upon the outcome of Resolution 1. If Resolution 1 is not passed, Resolution 6 will be withdrawn.

The Company proposes to grant a total of 144,689 Share Rights to Mr Horn on 26 May 2022 under the terms of the Plan subject to shareholder approval (**proposed grant**).

The proposed grant under the Plan to Oliver Horn is to settle Mr Horn's 2020 short-term incentive by issuing Share Rights in lieu of a cash settlement to conserve the cash of the Company.

Details of the Plan are presented in the Explanatory Memorandum relating to Resolution 6 below.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme.

Accordingly, approval is sought for the proposed grant to Mr Horn of 144,689 Share Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Elixinol without approval of shareholders in any rolling twelve-month period. However, Elixinol is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 6, if passed, will provide approval for this purpose in relation to both the Share Rights and any Shares issued on vesting of those rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

If shareholders do not approve Resolution 6, the proposed issue of Share Rights to Mr Horn will not proceed. However, to ensure Elixinol can attract and retain the right talent and align Mr Horn with those of shareholders, the Board considers it is important for Elixinol to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

The Company has determined that the proposed grant of Share Rights under the Plan pursuant to the Resolution 6 as part of Mr Horn's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Share Rights grant to Oliver Horn:

Details of the Grant	The proposed grant to Oliver Horn is 144,689 Share Rights. Each Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.
Price payable on Grant or Exercise	No amount will be payable to the Company in respect of the issue or exercise of new Share Rights.
Vesting of Performance Share Rights	In respect of New Share Rights, the Share Rights will vest on 27 May 2022.
Performance Period	1 January 2020 to 31 December 2020.
Date of Grant	26 May 2022 subject to shareholder approval.
Vesting Conditions which must be satisfied (or waived) before Share Rights vest and can be exercised	Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Share Rights have been satisfied (or waived by the Board) or the date on which the Share Rights otherwise vest in accordance with the Plan Rules. The Share Rights are subject to being employed at the date of vesting and the Plan rules.

<p>Cessation of employment</p>	<p>If Oliver Horn ceases to be a Director of the Company prior to the vesting of Share Rights, the treatment will depend on the circumstances of cessation.</p> <p>Where Oliver Horn ceases to be a Director of the Company in the event of resignation or other circumstances in which the Board determines the following treatment is warranted:</p> <ul style="list-style-type: none"> a. all unvested Share Rights will lapse on the cessation of her directorship; or b. all vested Share Rights will not lapse and in the case of an Exercisable Share Right will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where Oliver Horn ceases to be engaged as a Director in the event of death, Disability or other reason (with the exception of resignation), then unless the Board, in its sole discretion, determines otherwise:</p> <ul style="list-style-type: none"> a. a Pro Rata number of Oliver Horn's unvested Share Rights will not vest or lapse as a result of her ceasing to be a Director of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived; b. the balance of her unvested Share Rights will lapse; and c. any Performance Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period, as defined in the Plan Rules). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances, including allowing Oliver Horn to retain Share Rights which would otherwise lapse on the cessation of her engagement as a Director.</p>
<p>Control and Take over events</p>	<p>Where a Change of Control or Takeover event occurs in relation to the Company, the board may determine at its sole discretion that all or some of Oliver Horn's unvested Share Rights vest having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Share Rights to the date of the Control or Takeover Event.</p>

ASX Listing Rule 10.15 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is included in this Explanatory Statement for that purpose:

- 10.15.1 Oliver Horn or his nominee.
- 10.15.2 Oliver Horn was the Global Chief Executive Officer (**Global CEO**) and is currently a Non-executive Director of Elixinol. Accordingly, shareholder approval for Oliver Horn to acquire securities under an employee incentive scheme is required.
- 10.15.3 The maximum number of Share Rights to be issued to Oliver Horn is 144,689.
- 10.15.4 Oliver Horn's total remuneration package for FY2021 included:
- a fixed base salary of \$372,715;
 - a cash bonus of \$74,260;
 - superannuation of \$22,285; and
 - equity settled performance share rights of \$99,819.
 - A total remuneration package of \$569,079.

Further information regarding the remuneration of Oliver Horn is set out in the Company's Remuneration Report which forms part of the 2021 Annual Report.

Oliver Horn resigned as Global CEO on 28 March 2022, with the resignation effective on 8 April 2022. From 8 April 2022, Oliver Horn will be paid a director's fee of \$85,000 per annum.

- 10.15.5 Oliver Horn has previously received the following securities under the Plan:
- (a) 361,722 Performance Share Rights, as approved by Shareholders at the 2020 Annual General Meeting held on 30 July 2020 (issued for nil financial consideration). These Performance Share Rights have a vesting date of 28 February 2023, the TSR baseline for this tranche is set at \$0.546 cents.
- (b) 937,500 Performance Share Rights, as approved by Shareholders at the 2020 Annual General Meeting held on 30 July 2020 (issued for nil financial consideration). These Performance Share Rights fully vested on 30 January 2021 and 21 October 2021 pursuant to his employment agreement.

- 10.15.6 A summary of the material terms of the Share Rights are included above in this Explanatory memorandum.

The Share Rights are being issued to incentivise Oliver Horn to deliver the Company's growth strategy and drive financial performance in the interests of shareholders. The Board is satisfied that Oliver Horn's remuneration arrangements are competitive relative to ASX market and industry peers.

The value that the Company attributes to the Share Rights being issued is \$26,333 and is calculated using the Monte Carlo method.

- 10.15.7 It is intended that the Share Rights will be issued to Oliver Horn on or around 26 May 2022 subject to shareholder approval. In any event the Share Rights will be issued no later than three years after the date of the Meeting.

In the future, it is proposed that grants of Performance Rights or Options under the Plan will be made annually, following announcement of the Company's full-year financial results. The Board will have discretion to make grants at other times. The Plan Rules provide the Board with flexibility in relation to annual offers. Any future issues under the Plan to a Director will only be made if shareholder approval is received.

- 10.15.8 The Share Rights will be issued to Oliver Horn (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum. A copy of the Plan rules can be found on the Company's website at <https://www.elixinolwellness.com/site/investor/equity-plan-rules>
- 10.15.10 No loan will be provided to Oliver Horn in relation to the Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement - See Section Voting Exclusion Statements and Voting Prohibitions.

Resolution 6 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

The Directors considers that the award of securities to Oliver Horn is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with Oliver Horn abstaining from making a recommendation) that shareholders vote in favour of Resolution 6.

Resolution 7. Issue of Performance Share Rights under the Elixinol Wellness Limited Equity Plan to Mr David Fenlon

This resolution deals with the proposed grant of options under the Elixinol Wellness Limited Equity Plan Incentive Plan (**Plan**) to Mr David Fenlon, a Non-Executive Director of the Company.

Resolution 7 is conditional upon the outcome of Resolution 2. If Resolution 2 is not passed, Resolution 7 will be withdrawn.

The Company proposes to grant a total of 465,753 Performance Share Rights to Mr Fenlon on 26 May 2022 under the terms of the Plan subject to shareholder approval (**proposed grant**).

The proposed grant under the Plan to Mr Fenlon is to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.

Details of the Plan are presented in the Explanatory Memorandum relating to Resolution 7 below.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme.

Accordingly, approval is sought for the proposed grant to Mr Fenlon of 465,753 Performance Share Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Elixinol without approval of shareholders in any rolling twelve-month period. However, Elixinol is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 7, if passed, will provide approval for this purpose in relation to both the Performance Share Rights and any Shares issued on vesting of those rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

If shareholders do not approve Resolution 7, the proposed issue of Performance Share Rights to Mr Fenlon will not proceed. However, to ensure Elixinol can attract and retain the right talent and align Mr Fenlon with those of shareholders, the Board considers it is important for Elixinol to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

The Company has determined that the proposed grant of Performance Share Rights under the Plan pursuant to the Resolution 7 as part of Mr Fenlon's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Performance Share Rights grant to David Fenlon:

Details of the Grant	<p>The proposed grant to David Fenlon is 465,753 Performance Share Rights.</p> <p>Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.</p>
Price payable on Grant or Exercise	No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights.
Vesting of Performance Share Rights	The Performance Share Rights will vest on 28 February 2026.
Performance Period	1 January 2022 to 31 December 2025.
Date of Grant	26 May 2022 subject to shareholder approval.
Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules.</p> <p>The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p> <ul style="list-style-type: none"> • Satisfaction of absolute total shareholder return (TSR) performance hurdles for the relevant Vesting Period (TSR Performance Share Rights); and

	<ul style="list-style-type: none"> David Fenlon must continue to be a Director of the Company or one of its wholly owned subsidiaries on 28 February 2026. 								
Total Shareholder Return – Performance Condition	<p>The proportion of TSR Performance Share Rights that will vest will be determined by reference to the absolute TSR of the Company during the relevant Performance Period, in accordance with the following vesting schedule:</p> <table> <tr> <th>Company's TSR over the relevant Vesting Period</th><th>Percentage of TSR Performance Share Rights Vesting</th></tr> <tr> <td>Below 10%</td><td>0% of the TSR Performance Share Rights will vest</td></tr> <tr> <td>Greater than 10% but less than the 20%</td><td>40% of the TSR Performance Share Rights will vest</td></tr> <tr> <td>Equal to or greater than the 20%</td><td>100% of the TSR Performance Share Rights will vest</td></tr> </table> <p>The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before 31 December 2021 which was \$0.073.</p> <p>TSR Performance Share Rights that do not vest on the relevant vesting date will lapse.</p>	Company's TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting	Below 10%	0% of the TSR Performance Share Rights will vest	Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest	Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest
Company's TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting								
Below 10%	0% of the TSR Performance Share Rights will vest								
Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest								
Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest								

<p>Cessation of employment</p>	<p>If David Fenlon ceases to be a Director of the Company prior to the vesting of Performance Share Rights, the treatment will depend on the circumstances of cessation.</p> <p>Where David Fenlon ceases to be a Director of the Company in the event of resignation or other circumstances in which the Board determines the following treatment is warranted:</p> <ul style="list-style-type: none"> a. all unvested Performance Share Rights will lapse on the cessation of her directorship; or b. all vested Performance Share Rights will not lapse and in the case of an Exercisable Share Right will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where David Fenlon ceases to be engaged as a Director in the event of death, Disability or other reason (with the exception of resignation), then unless the Board, in its sole discretion, determines otherwise:</p> <ul style="list-style-type: none"> a. a Pro Rata number of David Fenlon's unvested Performance Share Rights will not vest or lapse as a result of her ceasing to be a Director of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived; b. the balance of her unvested Performance Share Rights will lapse; and c. any Performance Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period, as defined in the Plan Rules). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances, including allowing David Fenlon to retain Performance Share Rights which would otherwise lapse on the cessation of her engagement as a Director.</p>
<p>Control and Take over events</p>	<p>Where a Change of Control or Takeover event occurs in relation to the Company, the board may determine at its sole discretion that all or some of David Fenlon's unvested Performance Share Rights vest having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Performance Share Rights to the date of the Control or Takeover Event.</p>

ASX Listing Rule 10.15 contains requirements as to the contents of a Notice sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is included in this Explanatory Statement for that purpose:

- 10.15.1 David Fenlon or his nominee.
- 10.15.2 David Fenlon is a Director of Elixinol accordingly, shareholder approval for David Fenlon to acquire securities under an employee incentive scheme is required.
- 10.15.3 The maximum number of Performance Share Rights to be issued to David Fenlon is 465,753.
- 10.15.4 David Fenlon was appointed as a director on 28 March 2022. From 28 March 2022 David Fenlon will be paid a director's fee of \$85,000 per annum.
- 10.15.5 David Fenlon has not previously received any securities under the Plan:
- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.
- The Performance Share Rights are being issued to incentivise David Fenlon to deliver the Company's growth strategy and drive financial performance in the interests of shareholders. The Board is satisfied that David Fenlon's remuneration arrangements are competitive relative to ASX market and industry peers.
- The value that the Company attributes to the Performance Share Rights being issued is \$26,737 and is calculated using the Monte Carlo method.
- 10.15.7 It is intended that the Performance Share Rights will be issued to David Fenlon on or around 26 May 2022 subject to shareholder approval. In any event the Performance Share Rights will be issued no later than three years after the date of the Meeting.
- In the future, it is proposed that grants of Performance Rights or Options under the Plan will be made annually, following announcement of the Company's full-year financial results. The Board will have discretion to make grants at other times. The Plan Rules provide the Board with flexibility in relation to annual offers. Any future issues under the Plan to a Director will only be made if shareholder approval is received.
- 10.15.8 The Performance Share Rights will be issued to David Fenlon (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum. A copy of the Plan rules can be found on the Company's website at <https://www.elixinolwellness.com/site/investor/equity-plan-rules>
- 10.15.10 No loan will be provided to David Fenlon in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing rule 10.14.

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

- 10.15.12 A voting exclusion statement - See Section Voting Exclusion Statements and Voting Prohibitions.

Resolution 7 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

The Directors considers that the award of securities to David Fenlon is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with David Fenlon abstaining from making a recommendation) that shareholders vote in favour of Resolution 7.

Resolution 8. Approval of potential termination benefits to Mr Ronald Dufficy

Background

Ronald Dufficy commenced employment with the Company as Interim Global Chief Executive Officer's (**Interim Global CEO**) on 8 April 2022. On 28 March 2022 the Company announced the material terms of the Interim Global CEO employment agreement with the Company (**Employment Agreement**).

Part 2D.2 of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold or held a managerial or executive office (as defined in the Corporations Act) on leaving employment with the Company or its related bodies corporate.

The Company's policy in relation to termination benefits and entitlements is to treat ceasing employees fairly having regard to applicable laws and market practice, while balancing the need to avoid excessive termination payouts. Approval is being sought so that the Company can give effect to this policy, while complying with the Corporations Act.

The Company is seeking Shareholder approval under Resolution 8 to approve certain potential payments payable to Ronald Dufficy on termination of his employment with the Company. Specifically, the Company is seeking approval to provide benefits or entitlements regarding the Company's existing contractual obligation to Mr Dufficy under his Employment Agreement that he may be entitled to payments in lieu of notice upon cessation of his employment, along with a pro-rata short term incentive payment in respect of the year in which the employment ceases. The amount and value of the entitlements under the termination notice period clause cannot be ascertained in advance. This is because various matters will, or likely will, affect the value including the extent to which Mr Dufficy will work through the applicable notice period and the time Mr Dufficy ceases employment.

Resolution 8 is of an administrative nature and is in relation to the Employment Agreement which, as noted above, was announced on 28 March 2022. Shareholder approval to grant a termination benefit to an executive is required under section 200E of the Corporations Act. These are described in further detail below.

Termination benefits under the Employment Agreement

Under the Employment Agreement, the Company may terminate the Interim Global CEO's employment by making a payment equal to six (6) months' pay in lieu of the entire notice period (or by making him work part of the notice period and making a payment in lieu of the balance of the notice period) (**Termination Payment**).

The other material terms of the Employment Agreement are set out in Annexure A.

Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a board or managerial office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or an exemption applies.

Section 200B of the Corporations Act applies to board or managerial officers of the Company or any of its subsidiaries, which includes Ronald Dufficy.

The term “benefit” has a wide operation and would include the Termination Payment proposed to be paid to Ronald Dufficy on or following termination of employment.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the Interim Global CEO’s remuneration (**Cap Exception**) or if the nature of the payment falls within one of a number of categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

To rely on the Cap Exception, the benefit must have been given to a person under an agreement between the company and the person before the person became the holder of the office as consideration for agreeing to hold that office.

Accordingly, the amount and nature of the Termination Payment do not fall within any of the categories of exception set out in the Corporations Act.

Accordingly, Shareholder approval is sought for the purposes of section 200E of the Corporations Act to allow the Company to deal with and pay the Termination Payment.

Section 200E of the Corporations Act requires that where shareholders are asked to approve a payment or other benefit to an Executive that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment. The amount of the Termination Payment will depend on the amount of Ronald Dufficy’s salary at the time of termination, and the amount of the notice period being paid for in lieu up to six (6) months.

Resolution 9. Approval to Issue Securities under the Elixinol Wellness Limited Equity Plan

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that the Company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares on issue at the start of that period (**15% Placement Capacity**).

ASX Listing Rule 7.2, Exception 13 sets out an exception to ASX Listing Rule 7.1 such that an issue under an employee incentive scheme does not use the Company’s 15% Placement Capacity if within three years before the issue date ordinary security holders approved the issue of equity securities under the scheme as an exception to ASX Listing Rule 7.1 in accordance with the ASX Listing Rules.

A summary of the terms of Elixinol Wellness Limited’s Equity Plan (**Plan**) is set out in Annexure B. A copy of the full Plan terms are available to shareholders on the Company’s website at: <https://www.elixinolwellness.com/site/investor/equity-plan-rules>.

If Shareholders approve Resolution 9, any issue of equity securities under the Plan during the 3 year period after the AGM will not use any of the Company’s 15% Placement Capacity. However, this exception does not apply to the issue of equity securities to related parties of the Company (including Directors) under the Plan, and issues to such persons will require separate Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve Resolution 9, any issue of equity securities will use the Company's 15% Placement Capacity, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue of the securities.

An approval under this Resolution is only available to the extent that:

- any issue of equity securities under the Plan does not exceed the maximum number of securities proposed to be issued as set out below; and
- there is no material change to the terms of the Plan.

Background

Elixinol has established a Long-Term Incentive Plan (**LTIP**) and Short-Term Incentive Plan (**STIP**) under the Plan.

Equity securities issued under the LTIP and STIP may be granted to employees (or such other person that the Board determines is eligible to participate). Offers will be made at the discretion of the Board. The terms of the incentives granted under this plan will be determined by the Board at grant and may therefore vary over time. Elixinol will regularly assess the appropriateness of its incentive plans and may amend or replace, suspend or cease using the LTIP or STIP if considered appropriate by the Board. The performance period that typically applies for offers under the LTIP is 3 years and there is generally a total shareholder return metric that forms part of the performance conditions. The performance period that typically applies for offers under the STIP is 12 months and there are generally individual key performance indicators that form part of the performance conditions.

For the purposes of ASX Listing Rule 7.2 Exception 13 the following information is provided:

- A summary of the terms of the LTIP and Plan is set out in Annexure B.
- A total of 27,796,398 equity securities have been issued under the Plan since the Company listed on the ASX, of which 9,067,675 have since been forfeited and 2,905,344 have converted into fully paid ordinary shares. The current net balance issued under the Plan is 15,823,379.
- Subject to Shareholder approval, the maximum number of equity securities proposed to be issued under the Plan within the three-year period from the date this Resolution is approved is approximately 31,626,557 equity securities. This maximum number is not intended to be a prediction of the actual number of equity securities proposed to be issued under the Plan.
- a voting exclusion statement is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of this Resolution 9.

Resolution 10. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1 generally limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under ASX Listing Rule 7.1A mid to small cap listed companies may seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity under ASX Listing Rule 7.1A if it satisfies both of the following criteria at the date of the AGM:

- a. it has a market capitalisation of \$300 million or less; and
- b. it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM. If on the date of the AGM Elixinol no longer meets this eligibility criteria, this Resolution 10 will be withdrawn.

Accordingly, Resolution 10 is seeking approval of ordinary shareholders by special resolution for the issue of up to the number of equity securities as calculated in accordance with the formula in ASX Listing Rule 7.1A.2, at an issue price permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms described in this Explanatory Memorandum.

Approval of Resolution 10 does not oblige the Company to conduct a placement or use the additional 10% capacity. The approval would provide the Company with additional flexibility and an ability to move quickly in the event of an opportunity arose which required additional capital.

At the date of this Notice, the Company has on issue 316,265,571 fully paid ordinary shares. If Resolution 10 is approved, the Company will have the capacity to issue:

- a. 47,439,836 equity securities under ASX Listing Rule 7.1; and
- b. 31,626,557 fully paid ordinary securities under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (which at the date of this Notice is):

$(A \times D) - E$

Where:

- A** is the number of fully paid shares on issue 12 months before the issue date or date of agreement to issue:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than Exception 9, 16 or 17;
 - (B) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within ASX Listing Rule 7.2 Exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
 - (C) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within ASX Listing Rule 7.2 Exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or

- the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or 7.4; -
 - (D) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under ASX Listing Rule 7.1 or 7.4; -
 - (E) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (F) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under ASX Listing Rule 7.4.

If Shareholders approve Resolution 10 the effect will be to allow Elixinol to issue equity securities under ASX Listing Rule 7.1A without further Shareholder approval.

If Shareholders do not approve Resolution 10, Elixinol will not be able to access the additional 10% capacity to issue equity securities without shareholder approval under ASX Listing Rule 7.1A and will remain subject to its 15% Placement Capacity limit on issuing equity securities without Shareholder approval under ASX Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- If any equity securities are issued under the 10% Placement Facility, they will be issued within 12 months of the date of the AGM. The approval being sought under Resolution 10 will cease to be valid on the earlier of either of the following events occurring:
 - a. the time and date of the Company's next AGM;
 - b. 26 May 2023, being the date that is 12 months after the date of the AGM at which the approval was obtained; or
 - c. the time and date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- Any equity securities issued pursuant to the 10% Placement Capacity will be issued for cash consideration at an issue price of not less than 75% of the volume weighted average market price for Elixinol's ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - a. the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
 - b. if the equity securities are not issued within 10 trading days of the date above, the date on which the equity securities are issued.
- Any equity securities issued pursuant to the 10% Placement Capacity will be issued for the purpose of raising working capital for the Company, which includes continuation of the Company's evaluation of new business development opportunities, potential merger, divestment or acquisition activities and general working capital purposes.

- If Resolution 10 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this Resolution 10, to the extent that such equity securities are issued, including the risk that:
 - a. the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.
- The following table provides examples of the potential dilution of existing ordinary Shareholders calculated as at the date of this Notice using the current market price of Shares and the current number of ordinary securities for variable "A" in the formula in ASX Listing Rule 7.1A.2.

The table also shows:

- a. two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of fully paid ordinary securities the Company currently has on issue. The number of fully paid ordinary securities on issue may increase; and
- b. two examples of where the issue price of fully paid ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue ¹	Dilution			
	Issue price (per Share)	\$0.027 50% decrease in Issue Price	\$0.053 Issue Price	\$0.106 100% increase in Issue Price
316,265,571 (Current)	Shares issued	31,626,557.10	31,626,557.10	31,626,557.10
	Funds raised	838,103.76	1,676,207.53	3,352,415.05
474,398,357(50% increase)	Shares issued	47,439,835.65	47,439,835.65	47,439,835.65
	Funds raised	1,257,155.64	2,514,311.29	5,028,622.58
632,531,142 (100% increase)	Shares issued	63,253,114.20	63,253,114.20	63,253,114.20
	Funds raised	1,676,207.53	3,352,415.05	6,704,830.11

- The table has been prepared on the following assumptions:
 - a. for the purposes of variable "A" in ASX Listing Rule 7.1A.2, Shares issued on conversion of the 15,823,379 unquoted performance rights currently on issue and Performance Securities the subject of Resolutions 3 – 8 have not been included;
 - b. the Company issues the maximum number of equity securities available under the 10% Placement Facility;
 - c. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues under the 10% Placement Facility, and each Shareholder should consider their own individual dilution as a result of their specific circumstances;

¹ Variable "A" in ASX Listing Rule 7.1A.2

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- d. the table only demonstrates the effect of issues of equity securities under the 10% Placement Capacity, and does not consider issues that may be made by the Company pursuant to its 15% Placement Capacity in addition to, or instead of, issues pursuant to the Additional 10% Placement Capacity;
 - e. the table does not demonstrate the effect of the issue of quoted, unquoted options or performance rights, which are other types of equity securities, under the 10% Placement Capacity. It only considers the issue of Shares as these are the only existing quoted class of equity securities; and
 - f. the issue price used for the table above of \$0.053 per Share is indicative only, being the closing price of the Shares on ASX on 1 April 2022.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued (subject to shareholder approval of Resolution 10) have not been determined as at the date of this Notice but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 - a. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
 - b. the effect of the issue of equity securities on the control of the Company and balancing the interests of existing Shareholders. Allocation will be subject to takeover thresholds;
 - c. the financial situation and solvency of the Company and its need for working capital at any given time; and
 - d. advice from corporate, financial and broking advisors (if applicable).

The Company has not previously issued or agreed to issue equity securities under ASX Listing Rule 7.1A.2 in the 12 months preceding the AGM.

At the time of despatching this Notice of Annual General Meeting the entity is not proposing to make an issue of securities under rule 7.1A.2

Resolution 10 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

The Directors unanimously recommend Shareholders vote in favour of this Resolution 10.

Annexure A

Key Terms of Interim Global Chief Executive Officer Employment Agreement

The key terms of the employment agreement entered into with its Interim Global Chief Executive Officer, Mr Ronald Dufficy (**Agreement**).

TERM	DESCRIPTION
Position	Interim Global Chief Executive Officer
Commencement Date	8 April 2022
Term of Appointment	Mr Dufficy's employment has no fixed term. Mr Dufficy has been appointed as Interim Global Chief Executive Officer commencing from 8 April 2022.
Total Fixed Remuneration (TFR) (Including Superannuation)	Under the terms of the employment agreement, Mr Dufficy is entitled to a TFR of \$305,000 per annum (inclusive of superannuation). The TFR is subject to annual review (starting in December 2022).
Short-term Incentive (STI)	In addition to the annual TFR, Mr Dufficy is eligible to receive a bonus in accordance with the Company's Short Term Incentive Plan Rules, of up to 40% of his TFR. The TFR may be increased by the Company from time to time.
Other benefits (including long-term incentive)	In addition to Mr Dufficy's base salary, the Company may, in its absolute discretion, provide Mr Dufficy with other benefits, such as other incentive payments, including any further grant of performance share rights in accordance with the Company's Equity Plan Rules, subject to any shareholder approval requirements.
Termination Provisions	Mr Dufficy will be employed indefinitely, subject to the rights of the Company, below: <ul style="list-style-type: none"> The Company may terminate the Interim Global Chief Executive Officer's employment immediately and without notice in certain circumstances, including if he is guilty of serious misconduct, is grossly negligent or otherwise incompetent in the performance of his duties, becomes bankrupt or commits a crime or other civil wrong which, in the Company's reasonable opinion, may seriously impact on the Interim Global Chief Executive Officer's ability to perform the duties of his position, or is likely to significantly damage the reputation or business of the Company. The Interim Global Chief Executive Officer's employment may be terminated by either party giving six (6) months' written notice.

	<ul style="list-style-type: none"> The Company may also terminate the Interim Global Chief Executive Officer's employment by either making a payment equal to six (6) months' pay in lieu of the entire notice period (or by making him work part of the notice period and making a payment in lieu of the balance of the notice period). <p>Any payments on termination are subject to the termination benefits cap under the Corporations Act.</p>
Post-employment Restraint	A six (6) month restraint provision applies.

ANNEXURE B
SUMMARY OF PLAN TERMS

TERM	DESCRIPTION
Eligibility	An employee of the Company (or its subsidiaries) (Group) or another person (Participant) determined by the Board as eligible to participate in the Plan.
Offers under the Plan	Under the Plan, eligible persons may be offered: <ul style="list-style-type: none"> • an option to acquire a Share, subject to the terms relating to vesting, exercise and lapsing; or • a right to acquire a Share, that may be subject to terms relating to, amongst other things, performance and/or service, (ESOP Securities).
Change of control	The Board in its absolute discretion may determine that all or some of a Participant's ESOP Securities vest where certain takeover or change of control events occur.
Vesting	The ESOP Securities (to the extent applicable) vest on satisfaction of all the conditions relating to the offer under the Plan, as determined by the Board.
Transfer Restrictions	The Board may in its absolute discretion impose any trading or other restrictions in respect of the ESOP Securities.
LTIP and STIP	
Offers under the LTIP and STIP	Specifically, under the LTIP and STIP, eligible persons may be offered ESOP Securities subject to among other things, certain performance conditions being satisfied (Performance Rights).
What are the performance conditions?	The vesting of Performance Rights require the satisfaction of certain performance conditions as determined by the Board from time to time.
Exercise Period	Where a Participant ceases to be an employee of the Group, all vested Performance Rights, including Options that vest under the Plan, must be exercised within 30 days of cessation, or such other period determined by the Board. Options which are not exercised within the period specified under the Plan will lapse.
What are the rights attaching to the Performance Rights?	Performance Rights are not transferable, do not confer any right to vote, do not confer any entitlement to a dividend, do not confer any right to a return of capital, do not confer any right to participate in the surplus profit or assets upon a winding up and do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.
Cessation of employment	If a Participant ceases employment with the Group prior to the vesting of Performance Rights, the treatment of the Performance Rights will depend on the circumstances of cessation.

	<p>Where a Participant ceases employment with the Group in the event of resignation, or dismissal or other circumstances in which the Board determines the following treatment is warranted:</p> <ul style="list-style-type: none"> a) all unvested Performance Rights will lapse on the cessation of the person's employment; and b) all vested Performance Rights will not lapse and in the case of an Option it will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where a Participant ceases employment in circumstances not referred to above, then unless the Board in its sole discretion determines otherwise:</p> <ul style="list-style-type: none"> a) a pro rata number of a Participant's unvested Performance Rights will not vest or lapse as a result of the Participant ceasing to be an employee of the Group, and the terms of the Plan will continue to apply, except that any continuous service requirement will be deemed to be waived; b) the balance of a Participant's unvested Performance Rights will lapse; and c) any Performance Right which has vested (and in the case of an Option that has not been exercised at the time of cessation of employment with the Group) will not lapse (and in the case of an Option will remain exercisable for a certain period of time). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances, including allowing a Participant to retain Performance Rights which would otherwise lapse on the cessation of their employment.</p>
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Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (Sydney time) on Tuesday, 24th May 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise, if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic

GPO Box 5193

Sydney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street

Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

PHONE:

1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

ELECT TO BE AN E-INVESTOR

Dear Shareholder,

As a valued investor in Elixinol Wellness Limited, we encourage you to elect to receive all shareholder communications electronically.

By choosing this option you will:

- Support the Company that you hold an interest in by helping us to reduce the cost of printing and postage each year;
- Receive your investor communications faster and in a more secure way; and
- Help the environment through the need for less paper.

☐ I'd like to thank you in advance for your contribution to this initiative and your ongoing support of EXL.

Yours sincerely,
Teresa Cleary | General Counsel and Company Secretary

There are two ways you can elect to receive Investor communications electronically:

1. Updating online

I already have an online account with Automic

1. Visit <https://investor.automic.com.au>
2. Under "Existing users sign in" enter your established username and password
3. Once you have successfully logged in, click on:
 - setting -> portfolio profile -> communication -> change method -> electronic only

I do not have an online account with Automic and need to register

1. Visit <https://investor.automic.com.au/#/signup>
2. Select "Elixinol Wellness Limited" from the dropdown list in the Issuer Name Field
3. Enter your Holding Number (SRN/HIN)
4. Enter your postcode OR country of residence (only if outside Australia)
5. Tick the box "I'm not a robot" and then select "Next"
6. Complete the prompts to set up your username and password details
7. Once you have successfully logged in, click on:
 - setting -> portfolio profile -> communication -> change method -> electronic only

2. Providing us with your email address in the section below and return to our share registry by email to hello@automicgroup.com.au

Telephone Number

Email Address

Contact Name (PLEASE PRINT)

EXL

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website - www.automicgroup.com.au