

Remuneration and Nomination Committee Charter

1. Introduction

- (a) The purpose of this Committee Charter (**Charter**) is to document the objectives, responsibilities, composition and administration of the Remuneration and Nomination Committee (**Committee**) of the board of directors (**Board**) of Elixinol Wellness Limited (**Group**).
- (b) The operation of the Committee is also governed, where applicable, by the Constitution of the Group (**Constitution**). Defined terms in this Charter have the same meaning as in the Constitution.

2. Objectives

The objectives of the Committee include the following:

- (a) supporting and advising the Board in fulfilling its responsibilities to shareholders and employees of the Group, by endeavouring to ensure that:
 - the directors and senior executives of the Group are remunerated fairly and appropriately;
 - the remuneration policies and outcomes of the Group strike an appropriate balance between the interests of the Group's securityholders, and rewarding and motivating the executives and employees in order to secure the long-term benefits of their energy and loyalty; and
 - the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Group as determined by the Board;
- (b) reviewing and advising the Board on the composition of the Board and its committees and the necessary and desirable competencies of Board members;
- (c) developing a process for the evaluation of the performance of the Board, its committees and individual executive and non-executive directors;
- (d) ensuring that proper succession plans are in place for consideration by the Board;
- (e) advising the Board on governance matters and appropriate corporate governance policies for the Group; and
- (f) critically reviewing the Group's performance against its corporate governance policies.

3. General Remuneration Responsibilities

The Committee is required to review and make recommendations to the Board about (where applicable):

- (a) the terms of remuneration for the executive and non-executive directors and other senior executives of the Group from time to time including the criteria for assessing performance;
- (b) the process for, and report to the Board on the outcomes of, remuneration reviews for:
 - each non-executive director;
 - the executives collectively; and
 - each executive director and other senior executive of the Group;
- (c) changes in remuneration policy and practices, including superannuation and other benefits;
- (d) employee equity plans and allocations under those plans; and
- (e) the disclosure of remuneration strategies and/or terms within the Group and to the Australia Securities Exchange (**ASX**).

4. Specific Remuneration Responsibilities

In order to fulfil its responsibilities relating to remuneration, the Committee will (where applicable):

Executive remuneration

- (a) review and evaluate market practice and trends in remuneration matters;
- (b) review and make recommendations to the Board regarding executive remuneration generally including, but not limited to, base pay, incentive payments, equity awards and service contracts;
- (c) consider whether to seek shareholder approval of the executive remuneration and, if shareholder approval is not required, whether to disclose any specific remuneration terms (such as termination payments) to ASX;
- (d) oversee the implementation of executive remuneration within the Group;

Executive directors and senior management

- (e) review and make recommendations to the Board on the specific remuneration for each executive director (including base pay, incentive payments, equity awards, termination payments and service contracts), determine whether any shareholder approvals are required and ensure that any equity-based executive remuneration is made in accordance with shareholder approvals;

- (f) review and make recommendations to the Board regarding the specific remuneration (including base pay, incentive payments, equity awards, termination payments and service contracts) for each senior executive of the Group;

Non-executive Director remuneration

- (g) review and establish the level of remuneration, including superannuation, for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type;
- (h) where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors approved by securityholders; and
- (i) consider if any equity incentives are appropriate for non-executive directors;

Employee share, option and other equity-based plans and executive long term incentive (LTIs) plans

- (j) review, at least annually, and make recommendations to the Board regarding the design of all equity based and/or LTI plans;
- (k) keep all plans under review in the light of legislative, regulatory and market developments;
- (l) for each such plan, determine each year whether awards will be made under that plan;
- (m) review and make recommendations to the Board regarding proposed aggregate and individual awards under each plan;
- (n) review and make recommendations to the Board regarding the administration and allocation of individual interests in awards which are held in a trust or similar structure; and
- (o) review and make recommendations to the Board regarding performance hurdles for such plan, if appropriate;

Short term incentives

- (p) review, at least annually, and make recommendations regarding short term incentives for executives, management, employees and contractors; and

Performance reviews

- (q) review and report to the Board on the performance of executive directors, non-executive directors and senior executives.

5. External advice

The Committee may request management or external consultants to provide necessary information or advice to allow the Committee to make its determinations or recommendations to the Board.

6. Approvals

The Board will request the Committee to review the following proposals and make a recommendation to the Board prior to any of them being implemented:

- (a) any change to the remuneration or contract terms of the executive directors and any other senior executives of the Group;
- (b) any amendment to any short-term incentive scheme adopted by the Group and allocation of sums under the short-term incentive scheme to directors and senior executives;
- (c) the design of any new equity or share plan or executive incentive or option plan, or the amendment of any existing equity or share plan or executive incentive or option plan;
- (d) the total level of award proposed from equity or share plans or executive incentive or option plans; and
- (e) any proposed termination payment to the executive directors and any other senior executives of the Group which has not been previously reviewed and recommended by the Committee. A termination payment to any other departing executive must be reported to the Committee at its next meeting.

7. Nomination responsibilities

In relation to its nomination function, the Committee is required to:

- (a) develop processes for the evaluation of the performance of the Board, its committees and individual executive and non-executive directors and regularly review those processes;
- (b) establish criteria for Board membership;
- (c) review the size and composition of the Board;
- (d) periodically assess the skills, experience and expertise required to discharge the Board's duties, having regard to the strategic direction of the Group, and make recommendations to the Board about the necessary and desirable competencies of directors, the time expected to be devoted by non-executive directors in relation to the Group's affairs, and plans for enhancing director competencies;
- (e) propose candidates for directorships for consideration by the Board having regard to the desired composition as stated in the Board Charter;
- (f) inform the Board of the names of directors who are retiring in accordance with the provisions of the Constitution and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director. In order to make these recommendations, the Committee will review the retiring director's performance during the period in which the director has been a member of the Board;

- (g) establish and facilitate an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board, including information and advice regarding:
 - the Group's financial, strategic, operational and risk management position;
 - the rights, duties and responsibilities of the directors;
 - the roles and responsibilities of senior executives; and
 - the role of Board committees;
- (h) identify any specific responsibilities of individual Board members, including the Chair;
- (i) review succession planning for Board members and provide advice to the Board on whether succession plans are in place to maintain an appropriate balance of skills, experience and expertise on the Board; and
- (j) review the membership and performance of other Board committees and make recommendations to the Board.

2. Corporate Governance Responsibilities

In relation to its corporate governance function, the Committee is required to:

- (a) review developments in corporate governance in Australia and internationally that may be relevant to the Group and to the expectations of the investor market and other stakeholders;
- (b) monitor the corporate governance requirements of regulators, including the Australian Securities & Investments Commission, the ASX and ASX Corporate Governance Council;
- (c) review ethical guidelines and standards for directors;
- (d) advise the Board on corporate governance standards, and on the adoption or amendment of corporate governance policies that would be appropriate for the Group;
- (e) review annually the Group's compliance with its corporate governance policies and procedures, and report to the Board on the results of the review together with any recommendations of the Committee; and
- (f) assist the Board to prepare the Group's corporate governance disclosure statements in its Annual Report.

3. Composition

- (a) Unless the Board determines otherwise, the Committee will comprise a minimum of three (3) members, the majority of whom should be independent non-executive directors.
- (b) The Chair of the Committee must be an independent non-executive director. Otherwise, the Board will nominate the Chair of the Committee from time to time.

4. Procedural Requirements

- (a) The Committee will meet as required.
 - (b) A quorum of the Committee will comprise two (2) members, one of whom must be the Chair or, in the absence of the Chair, another independent director.
 - (c) If the Chair is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.
 - (d) Committee meetings can be held in person, by telephone or by video conference, or by a combination of these media.
 - (e) Each member of the Committee will have one vote.
 - (f) The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
 - (g) A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their election, re-election, or removal.
 - (h) A member must not be present for discussions at a Committee meeting on, or vote on a matter regarding, their own remuneration or a specific remuneration policy that affects them. However, a member who is a non-executive director may be present and vote in relation to the remuneration of all non-executive directors.
- (a) Any member of the Committee may, with the Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee from time to time. Any such invitee will not have any vote.
 - (b) Following each meeting the Chair will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
 - (c) The secretary, or other such person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee. The Committee approved minutes will be made available to the members of the Board.
 - (d) The secretary of the Committee should be the Group's Company Secretary, or such other person as nominated by the Committee Chair.

- (e) The Committee may have access to such internal resources and seek such advice from any external advisors, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives.
- (f) This Charter and the members of the Committee are to be disclosed by the Group.
- (g) At the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed.

5. Annual Review

- (a) The Committee will prepare and provide to the Board annually:
 - i. a self-evaluation of its performance against its Charter, goals and objectives;
 - ii. recommended goals and objectives for the coming year; and
 - iii. recommended changes or improvements to its Charter, if necessary.
- (b) The annual review may be done by way of a verbal report to the Board by the Chair of the Committee.

6. Review of Charter

- (a) The Charter must be approved by the Board.
- (b) The Committee is responsible for reviewing the effectiveness of this Charter and the Committee and to make recommendations to the Board of any amendments to the Charter.

DOCUMENT VERSION CONTROL

CHANGE HISTORY

Version	Date	Author	Reason for Change
Version 1.0	25 October 2017	New Policy	New Policy
Version 2.0	17 December 2019	Group General Counsel & Company Secretary	General amendments made following annual review.
Version 3.0	8 December 2020	Group General Counsel & Company Secretary	General amendments made following annual review.
Version 3.1	17 May 2021	Group General Counsel & Company Secretary	Updated to reflect EXL's name change.
Version 4.0	7 December 2021	Group General Counsel & Company Secretary	General amendments made following annual review.
Version 5.0	6 December 2022	Group General Counsel & Company Secretary	General amendments made following annual review.