



NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: Wednesday, 31 May 2023

Time of Meeting: 9.00am (AEST)

Place of Meeting: Hybrid meeting to be held at the offices of Bird & Bird located at Level 22, 25 Martin Place, Sydney, NSW, 2000 and online via the Automatic Group Registry online meeting platform at:

https://us02web.zoom.us/webinar/register/WN_ybJW6wsTQmegbFeQzBxzgQ.

28 April 2023

Dear Shareholder,

On behalf of the Directors of Elixinol Wellness Limited (**Elixinol Wellness**), I am pleased to invite you to participate in the 2023 Annual General Meeting (**AGM** or **Meeting**) of Elixinol Wellness.

The AGM will be held on Wednesday, 31 May 2023 commencing at **9.00am** (AEST) as a 'hybrid' meeting, where shareholders will have the option of attending the AGM in person or online via the Automatic Registry platform.

The AGM will be formally convened at the offices of Bird & Bird located at Level 22, 25 Martin Place, Sydney, NSW, 2000. Alternatively, you may participate online through a platform provided by our share registrar at https://us02web.zoom.us/webinar/register/WN_ybJW6wsTQmegbFeQzBxzgQ

The enclosed Notice of Meeting sets out the business to be considered at the AGM.

Participation in the AGM

Shareholders can view and participate in the AGM in real time in a variety of ways. While Shareholders can attend in person, we encourage Shareholders to participate through the online platform due to the limited capacity available at the meeting venue.

Shareholders (or proxyholders) who wish to attend the AGM in person must pre-register their attendance by 5.00pm on Monday, 29 May 2023 by emailing the Group Company Secretary at company.secretary@elixinolwellness.com including your name, address and Shareholder Reference Number (SRN) or Holder Identification Number (HIN). Please note that due to the in-person venue size and to ensure comfortable physical attendance at the AGM, attendance in person will be limited to twenty persons, including the Directors.

If you are attending the AGM in person, please bring your Voting Form to the AGM to assist with registration on the day. Your Voting Form was enclosed with the letter dated the same date as this Notice of Meeting advising you of the time and date of the AGM and how to access the Notice of Meeting via the Company's website.

Shareholders who prefer to participate in the AGM through the online platform may do so by joining the AGM at https://us02web.zoom.us/webinar/register/WN_ybJW6wsTQmegbFeQzBxzgQ. Shareholders participating through the online platform will be able to:

- see and listen to the presentations given during the AGM by me, and our Directors standing for election at the AGM;
- ask questions of the Board and our external auditor in real time during the AGM via the online platform, and listen to discussions at the meeting; and
- vote on the resolutions to be considered at the AGM by direct voting during the Meeting.

Shareholders will also be able to ask questions in writing and orally via the online platform.

Please note that Shareholders will not be able to vote by telephone during the AGM.

Further details of how to participate in the AGM via the online platform, and how to ask questions are set out in the attached Notice of Meeting and in the Virtual Meeting Online Guide that can be accessed from the Company's website at <https://www.elixinolwellness.com/site/investor/annual-general-meeting>. Telephone details will be provided via the virtual meeting invite.

Whether you intend to attend the AGM in person or through the online platform, or if you are unable to attend the AGM at all, you may also:

- lodge questions online before the AGM at company.secretary@elixinolwellness.com; and
- vote on the resolutions to be considered at the AGM by completing and lodging your Voting Form in accordance with the instructions set out in the Notice of Meeting.

Thank you for your continued support of Elixinol Wellness and I look forward to seeing you at the AGM.

Yours faithfully,

Helen Wiseman
Chair

28 April 2023

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 Wellness** or the **Company**) will be held:

Date: Wednesday, 31 May 2023

Time: 9.00am (AEST)

Venue: Hybrid Meeting at the offices of Bird & Bird located at Level 22, 25 Martin Place, Sydney NSW 2000 and as a virtual meeting at:

https://us02web.zoom.us/webinar/register/WN_ybJW6wsTQmegbFeQzBxzgQ

The Company is pleased to provide Shareholders with the opportunity to attend and participate in person and as a virtual Meeting through an online meeting platform.

Shareholders that have an existing account will be able to watch, listen, submit written questions, ask verbal questions and vote online.

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. An account can be created via the following link investor.automic.com.au and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click “**register**” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual Meeting.
3. After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the virtual Meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote (see the “Voting virtually at the Meeting” section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions to the Company in advance of the Meeting. Questions must be submitted in writing to the Group Company Secretary at company.secretary@elixinolwellness.com by 24 May 2023.

The Company will also provide Shareholders with the opportunity to ask verbal questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

The business of the AGM affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the AGM on the date and at the place set out above.

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform powered by Automic.

Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" within the platform to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Further information on how to participate in person or 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, and which forms part of 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.

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 2022 (the **Reports**).

All Shareholders can view the Annual Report which contains the Financial Report for the year ended 31 December 2022 on the Company's website at:

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

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:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- 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, telephone and in person.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. Please email any questions to the Group Company Secretary at company.secretary@elixinolwellness.com or please complete the enclosed shareholder question form and return to Automic Group. To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on Monday, 24 May 2023.

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 and in person.

ITEMS FOR APPROVAL

Resolution 1. Re-election of Director – Ms Helen Wiseman

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

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

Resolution 2. Remuneration Report

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

“That the Company’s Remuneration Report for the financial year ended 31 December 2022, as set out in the Directors’ Report, be adopted.”

The Remuneration Report is contained in the 2022 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.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 3. Ratification of prior issue of Placement Shares

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 7.4 and for all other purposes, the issue of 69,444,445 Placement Shares on the terms and conditions as described in the Explanatory Memorandum, be approved and ratified.”

Note: A voting exclusion applies to this resolution.

Resolution 4. Approval to issue Options under the Placement

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

“That, subject to and conditional on the passing of Resolution 5, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 69,444,445 free attaching Options to investors under the Placement as described in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 5. Approval to issue Options to Shareholders in connection with the Share Purchase Plan

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

“That, subject to and conditional on the passing of Resolution 4, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of one free attaching Option for every new Share issued to Shareholders who subscribe for Shares under the Share Purchase Plan (excluding investors who subscribe for the Shortfall Shares) as described in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 6. Approval to issue Shortfall Shares and attaching Options in connection with the Share Purchase Plan

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

*“That, subject to and conditional on the passing of Resolution 7, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue to Canaccord Genuity (Australia) Limited (or its nominees) of up to \$1,000,000 worth of Shares at the Offer Price, comprising shortfall from the Share Purchase Plan (**Shortfall Shares**), and one free attaching Option for every Shortfall Share issued as described in the Explanatory Memorandum, be approved.”*

Note: A voting exclusion applies to this resolution.

Resolution 7. Approval to issue Broker Securities to Canaccord in connection with the Share Purchase Plan

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

“That, subject to and conditional on the passing of Resolution 6, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue to Canaccord Genuity (Australia) Limited (or its nominees) of 3,000,000 Shares and 6,000,000 Options as described in the Explanatory Memorandum, in consideration for underwriting the Share Purchase Plan, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 8. Approval of Issue of Director Fee Rights to Ms Helen Wiseman

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 10.11 and for all other purposes, the issue and allotment of 3,055,556 Director Fee Rights, exercisable for 3,055,556 Shares and 3,055,556 Options, to Director Ms Helen Wiseman (or her nominee), details of which are set out in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 9. Approval of Issue of Director Fee Rights to Mr David Fenlon

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 10.11 and for all other purposes, the issue and allotment of 2,500,000 Director Fee Rights, exercisable for 2,500,000 Shares and 2,500,000 Options, to Director Mr David Fenlon (or his nominee), details of which are set out in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 10. Approval of Issue of Salary Sacrifice Rights to Mr Ronald Dufficy

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 10.11 and for all other purposes, the issue and allotment of 3,611,112 Salary Sacrifice Rights, exercisable for 3,611,112 Shares and 3,611,112 Options, to Director Mr Ronald Dufficy (or his nominee), details of which are set out in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 11. Issue of Short-Term Incentive Performance Share Rights under the Elixinol Wellness Limited Equity Plan – to Mr Ronald Dufficy

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 10.14 and for all other purposes, the issue of 3,478,785 Performance Share Rights to Mr Ronald Dufficy under the Elixinol Wellness Limited Equity Plan, details of which are set out in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 12. Issue of Retention Performance Share Rights under the Elixinol Wellness Limited Equity Plan – Mr Ronald Dufficy

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 10.14 and for all other purposes, the issue of 1,300,000 Retention Performance Share Rights to Mr Ronald Dufficy under the Elixinol Wellness Limited Equity Plan, details of which are set out in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 13. 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**) and the issue of Equity Securities under the Plan as described in the Explanatory Memorandum, be approved.”*

Note: A voting exclusion applies to this resolution.

Resolution 14. Approval of Leaving Entitlement to 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 section 200B(1) and 200E of the Corporations Act and for all other purposes, the giving of a benefit to Mr Paul Benhaim in connection with Mr Paul Benhaim ceasing to hold a managerial or executive office in the Company, as described in the Explanatory Memorandum, be approved.”

Note: A voting exclusion applies to this resolution.

Resolution 15. 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, 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, which forms part of the Notice of Meeting.”

Resolution 16. Amendment to the Company’s Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be amended in the manner described in the Explanatory Memorandum, with effect from the close of the Meeting.”

Resolution 17. Renewal of Proportional Takeover Provisions

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

“That, the proportional takeover provision in Clause 14 of the Company’s Constitution, as set out in Annexure B of the Notice of Meeting, be renewed for a period of three years commencing on the day this resolution is passed.”

VOTING EXCLUSION STATEMENTS AND VOTING PROHIBITIONS

The Company will disregard any vote cast on any of the resolutions in contravention of sections 250BD and 250R of the Corporations Act.

Resolution	Person excluded from voting
Resolution 3 – ratification of Placement Shares	Placement participants (or their nominee(s)) and any of their Associates.
Resolution 4 – issue of Options under Placement	Placement participants (or their nominee(s)) and any of their Associates.
Resolution 5 – issue of Options under SPP	Share purchase plan participants (or their nominee(s)) and any of their Associates.
Resolution 6 – issue Shortfall Shares and attaching Options	Canaccord Genuity (Australia) Limited, as underwriter of the SPP, any sub-underwriter of the SPP and any other sophisticated or professional investor who may participate in the proposed issue of Shortfall Shares and free attaching Options, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities and any Associates of those persons.
Resolution 7 – issue of Broker Securities to Canaccord	Canaccord Genuity (Australia) Limited (or its nominee(s)) and any of its Associates.
Resolution 8 – issue of Director Fee Rights to Helen Wiseman	Helen Wiseman (or her nominee(s)), any other person who will obtain a material benefit as a result of the issue of Director Fee Rights in accordance with this resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their Associates.
Resolution 9 – issue of Director Fee Rights to David Fenlon	David Fenlon (or his nominee(s)), any other person who will obtain a material benefit as a result of the issue of Director Fee Rights in accordance with this resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their Associates.
Resolution 10 – issue of Salary Sacrifice Rights to Ronald Dufficy	Ronald Dufficy (or his nominee(s)), any other person who will obtain a material benefit as a result of the issue of Salary Sacrifice Rights in accordance with this resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their Associates.
Resolution 11 – issue of Short Term Incentive Performance Share Rights to Ronald Dufficy	A person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Plan (including Ronald Dufficy) and any of their Associates.
Resolution 12 – issue of Retention Performance Share Rights to Ronald Dufficy	A person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Plan (including Ronald Dufficy) and any of their Associates.
Resolution 13 – issue Securities under Equity Plan	Any person who is eligible to participate in the Equity Plan and any Associates of those persons.
Resolution 14 – Leaving Entitlement to Paul Benhaim	Paul Benhaim, any other person who will obtain a material benefit as a result of the Leaving Entitlement being approved in accordance with Resolution 10 (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their Associates.

However, the Company need not disregard on the above resolutions if the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the 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 the resolution; and
 - (ii) the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD

Teresa Cleary
Group General Counsel and Company Secretary
28 April 2023

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 Monday, 29 May 2023 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 Monday, 29 May 2023. 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 or Fax:

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.

The proxy form is enclosed with this Notice of Meeting.

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 9.00am (Sydney time) on Monday, 29 May 2023 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>

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 Wednesday, 31 May 2023.

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.

Resolution 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolutions 15, 16 and 17 are to be voted on as special resolutions. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the Resolutions must be in favour of the Resolutions.

The remaining resolutions are to be voted on as ordinary resolutions (requiring at least 50% of the votes cast in favour).

Resolution 1. Re-Election of Director – Ms Helen Wiseman

Ms Helen Wiseman was appointed as a Non-Executive Director of the Company on 21 April 2020. In accordance with clause 6.1(f)(i)(B) of the Constitution, Ms Wiseman retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company. Ms Wiseman is considered an independent Director. If Shareholders do not approve the election of Ms Wiseman, then Ms Wiseman will cease to be a director at the conclusion of the AGM.

Ms Wiseman is a Non-Executive Director with over 30 years' experience in the accounting and finance industry. Ms Wiseman is an experienced board Chair, non-executive director, audit committee specialist for listed (JSE, ASX) and unlisted multinational groups.

Ms Wiseman is a former KPMG partner, Chartered Accountant and certified Director – INSEAD, and of the Australian Institute of Company Directors. Ms Wiseman is an audit committee specialist who brings strong finance, risk oversight, and governance experience including experience of growth companies, mergers and acquisitions, capital raising, transformation and turnarounds. Most recently, Ms Wiseman has gained ESG experience through membership of the Bid Corporation Social and Ethics and Committee and has extensive international experience in food, pharmaceutical, natural healthcare, professional services, energy and natural resources and manufacturing industries. As a former partner of KPMG and previously named as one of the 2014 Australian Financial Review and Westpac 100 Women of Influence, she brings diversity and seasoned governance skills to the board.

The Board supports Ms Wiseman's re-election as a Non-Executive Director as Ms Wiseman provides a valuable contribution to the Board and Company, specifically in relation to international experience in food, pharmaceutical, natural healthcare, professional services and as an audit committee specialist.

The Board considered whether Ms Wiseman has any interest, position or relationship that may interfere with her 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 Ms Wiseman (if re-elected) will continue to be an Independent Director.

Prior to submitting herself for re-election, Ms Wiseman confirmed that she would continue to have sufficient time to properly fulfil her duties and responsibilities to the Company.

Ms Wiseman is the Chair of the Board and Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

The Directors, with Ms Helen Wiseman abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

The Chair intends to vote all undirected proxies in favour of this Resolution.

Resolution 2. 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.

At the 2022 Annual General Meeting, a "first strike" **was not** recorded in respect of the Remuneration Report. Accordingly, a "Spill Resolution" is not relevant for this Meeting.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 2.

The Chair intends to vote all undirected proxies in favour of this Resolution.

Resolution 3. Ratification of prior issue of Placement Shares

Background about the Capital Raising

On 5 April 2023, the Company announced details of a placement of 69,444,445 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.018 per share (**Offer Price**) to certain professional and sophisticated investors to raise approximately \$1.25 million (**Placement**). Canaccord Genuity (Australia) Limited (**Canaccord**) was the Lead Manager to the Placement.

In addition to the Placement, the Company also announced a share purchase plan for eligible shareholders (**SPP**), being shareholders on the Company's register as at 7.00pm (AEST) on 4 April 2023 with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The SPP is seeking to raise \$1 million at an issue price of \$0.018 per share (the same price as the Placement) on the terms set out in the SPP Offer Booklet to be despatched to Eligible Shareholders on Monday, 1 May 2023. The SPP is fully underwritten by Canaccord Genuity (Australia) Limited – see Resolution 5 below.

The Placement and SPP are referred to as the Capital Raising.

The SPP is expected to close on Friday, 19 May 2023.

The Shares issued under the Placement and SPP are being offered with free attaching Options on the basis of one Option for every new Share issued under the Placement and SPP (including in relation to the SPP Shortfall Offer).

Each Option will be exercisable for one Share at an exercise price of \$0.02 and will expire two years after the date of issue.

The Options will be offered under a transaction-specific prospectus under section 713 of the Corporations Act to be dated Monday, 1 May 2023 (**Prospectus**). The Option offer is conditional on Shareholder approval for the purposes of ASX Listing Rule 7.1.

If Shareholders do not approve the issue of Options then no Options will be issued to Placement or SPP participants.

The Placement

The Placement involved the issue of 69,444,445 Placement Shares on Friday, 14 April 2023 as follows:

- 38,028,852 Placement Shares were issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1; and
- the remaining 31,415,593 Placement Shares were issued pursuant the Company's available placement capacity under ASX Listing Rule 7.1A.

Accordingly, the Company is seeking to ratify the issue of the Placement Shares pursuant to Listing Rule 7.4 under Resolution 3.

Specific information about Resolution 3

Under ASX Listing Rule 7.1, broadly speaking and subject to a number of exceptions, a listed entity must obtain ordinary shareholder approval if it wishes to issue, or agree to issue, more than 15% of its equity securities over any 12 month period based on the number of fully paid ordinary securities it had on issue at the start of that 12 month period (**15% Placement Capacity**).

In addition, 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 (**Additional 10% Placement Capacity**). This is in addition to the existing 15% Placement Capacity permitted by ASX Listing Rule 7.1. Shareholder approval for Additional 10% Placement Capacity was obtained at the 2022 AGM of the Company.

As described above, the Placement was made utilising both the 15% Placement Capacity and the Additional 10% Placement Capacity and without shareholder approval, thereby reducing the Company's remaining available placement capacity.

ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of, or agreement to issue, securities after the fact so that the securities issued are regarded as having been made with approval for the purpose of ASX Listing Rule 7.1. If so approved, the issue of the Placement Shares will be taken to have been approved under ASX Listing Rule 7.1 and so does not use or utilise any of the Company's 15% Placement Capacity and Additional 10% Placement Capacity.

The Company is seeking approval of Resolution 3 for the purposes of ASX Listing Rule 7.4 to enable the Company to refresh its issuing capacity under ASX Listing Rule 7.1, thereby providing the Company with the flexibility to issue further securities under ASX Listing Rule 7.1 if the need arises in the next 12 months.

If Shareholders approve Resolution 3, the issue of the Placement Shares will be excluded in calculating the Company's 15% Placement Capacity and Additional 10% Placement Capacity, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date the Placement Shares were issued.

If Shareholders do not approve Resolution 3, the issue of Placement Shares will be included in calculating Elixinol's 15% Placement Capacity and Additional 10% Placement Capacity, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date the Placement Shares were issued.

For the purposes of ASX Listing Rule 7.5, the following information is provided:

- (a) the number of Placement Shares issued under the Placement was 69,444,445, of which 38,028,852 Placement Shares were issued utilising the Company's available capacity under ASX Listing Rule 7.1 and the remaining 31,415,593 Placement Shares were issued utilising the Company's available capacity under ASX Listing Rule 7.1A;
- (b) each Placement Share was issued at a price of \$0.018 and the Company raised a total of \$1,250,000 (before costs) under the Placement;
- (c) the Placement Shares were issued on 14 April 2023;
- (d) the Placement Shares are fully paid ordinary shares which rank equally with all other existing shares from the date of issue, save for the fact that the Placement Shares carry the entitlement to subscribe for free attaching Options on a one for one basis;
- (e) the Placement Shares were issued to a range of sophisticated and professional investors who were invited to participate in the Placement by agreement between the Lead Manager and the Company. No related party of the Company, member of the Company's key management personnel, substantial holder in the Company or adviser to the Company, or associate of any of such persons, was issued more than 1% of the Company's total issued share capital under the Placement;
- (f) Funds raised from the Placement have already been used, and will continue to be used by the Company to fund:
 - (i) implementation costs of the proposed acquisition of The Sustainable Nutrition Group Ltd (TSN) by way of schemes of arrangement, announced to ASX on 29 November 2022;

- (ii) working capital and near-term growth initiatives; and
 - (iii) the costs of the Capital Raising; and
- (g) A voting exclusion statement in relation to Resolution 3 is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

Resolution 4. Approval to issue Options under the Placement

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of free attaching Options under the Placement.

Background

The Company completed the issue of 69,444,445 Shares under the Placement on 14 April 2023.

As part of the Placement, participants are being offered one free attaching Option for every Share issued under the Placement. This involves the issue of up to approximately 69,444,445 Options (subject to rounding) to participants in the Placement.

The terms of issue of the Options are set out in Schedule 1.

Resolution 4 seeks approval for the issue of Options to participants in the Placement pursuant to Listing Rule 7.1 in order to issue the Options to Placement participants.

The offer of Options is being made under the Prospectus.

ASX Listing Rules 7.1 and 7.3

ASX Listing Rule 7.1 is described in the explanatory information regarding Resolution 3 above.

ASX Listing Rule 7.3 provides that, for holders of ordinary securities to approve an issue or agreement to issue securities under ASX Listing Rule 7.1, the entity must provide certain specified information in relation to the issue (or agreement to issue) to its security holders.

The proposed issue of free attaching Options to Placement participants does not fit within any of the exceptions in Listing Rule 7.2 and, on the basis that the Company's capacity under Listing Rule 7.1 is exhausted at the time that the Options are proposed to be issued (as a result of the Placement), it requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the proposed issue of free attaching Options to Placement participants. In addition, these Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

In the event that Resolution 4 is not passed, the Company will not be permitted to issue Options to participants in the Placement under the Prospectus.

Resolution 4 is conditional on the passing of Resolution 5 (by which the issue of Options to participants in the SPP is being considered).

Information provided in accordance with ASX Listing Rule 7.3

For the purpose of Resolution 4, the following information is provided in relation to the proposed issue of free attaching Options to Placement participants who apply for Options under the Prospectus in accordance with ASX Listing Rule 7.3:

- (a) A maximum of approximately 69,444,445 Options (subject to rounding) will be issued to participants in the Placement who apply for Options under the Prospectus.
- (b) Only participants in the Placement are entitled to apply for the Options that attach to Shares issued under the Placement.
- (c) The issue price of the Options will be nil as they will be issued free attaching with Shares already issued under the Placement. Accordingly, no cash proceeds will be realized from the issue of Options. A total of \$1,393,108 will be raised if all of the Options (in respect of the Placement) are issued and exercised. These funds will be used to pursue the Company's growth strategy and for working capital purposes.
- (d) The Options will be issued to participants in the Placement on the basis of one Option for every Share issued under the Placement.
- (e) The Options will be issued in accordance with the terms set out in Schedule 1.
- (f) Shares to be issued on the exercise of the Options will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (g) The Options will be issued to participants in the Placement on or around Wednesday, 7 June 2023, and in any event will be issued no later than 3 months after the date of the Meeting.
- (h) The Options will not be quoted on ASX.
- (i) A voting exclusion statement in relation to Resolution 4 is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

Resolution 5. Approval to issue Options to Shareholders in connection with the Share Purchase Plan

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of free attaching Options to SPP participants.

Background

The proposed issue of free attaching Options to SPP participants is conditional on Shareholder approval. Resolution 5 seeks Shareholder approval to proceed with the issue of Options to SPP participants.

The Options will be offered and issued under the Prospectus and the terms of issue of the Options are set out in Schedule 1.

ASX Listing Rules 7.1 and 7.3

See Resolutions 3 and 4 for a summary of ASX Listing Rules 7.1 and 7.3.

The SPP is being undertaken in accordance with ASX Listing Rule 7.2, Exception 5 and accordingly the issue of Shares under the SPP is not conditional on Shareholder approval.

The proposed issue of free attaching Options to SPP participants does not fit within any of the exceptions in Listing Rule 7.2 and, on the basis that the Company's capacity under Listing Rule 7.1 is exhausted at the time that the Options are proposed to be issued (as a result of the Placement), it requires the approval of Shareholders under ASX Listing Rule 7.1.

Accordingly, Resolution 5 seeks Shareholder approval for the proposed issue of free attaching Options to Share Purchase Plan participants.

If Resolution 5 is passed, the Company will be able to proceed with the proposed issue of free attaching Options to SPP participants. In addition, these Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the proposed issue of free attaching Options to SPP participants under the Prospectus. If this occurs, participants in the SPP will be issued Shares in relation to the SPP but will not receive any attaching Options.

Resolution 5 is conditional on the passing of Resolution 4 (by which the issue of Options to participants in the Placement is being considered).

Information provided in accordance with ASX Listing Rule 7.3

For the purposes of Resolution 5, the following information is provided in relation to the proposed issue of free attaching Options to Share Purchase Plan participants in accordance with ASX Listing Rule 7.3:

- (a) The Options will be issued to participants in the SPP on the basis of an entitlement to one Option for every Share issued under the SPP.
- (b) Each Option will be exercisable for one Share at an exercise price of \$0.02 and will expire two years after the date of issue.
- (c) The Company is seeking to raise \$1,000,000 under the SPP, which would involve the issue of 55,555,555 Shares and up to 55,555,555 Options (subject to rounding). The Company may accept oversubscriptions under the SPP, in which case for every additional Share issued, an additional Option may be issued.
- (d) By way of example, if the Company received and elected to accept oversubscriptions of \$100,000 under the SPP, an additional 5,555,555 Shares would be issued and up to an additional 5,555,555 Options would be issued (subject to rounding).
- (e) The issue price of the Options will be nil as they will be issued free attaching with Shares issued under the SPP. Accordingly, no cash proceeds will be realised from the issue of Options. Assuming the offer of Shares and attaching Options under the Share Purchase Plan is fully subscribed (and Resolution 5 is approved), approximately 55,555,555 Options will be issued to participants in the Share Purchase Plan and a total of approximately \$1,111,111 will be raised if all of the Options (in respect of the Share Purchase Plan) are exercised. These funds will be used to pursue the Company's growth strategy and for working capital purposes.
- (f) The Options will be issued in accordance with the terms set out in Schedule 1.

- (g) Shares to be issued on the exercise of the Options will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (h) It is proposed that Options to be issued to SPP participants will be issued on or around Wednesday, 7 June 2023 and, in any event, will be issued within three (3) months of the date of the Meeting.
- (i) A voting exclusion statement in relation to Resolution 5 is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

The Chair intends to vote undirected proxies in favour of Resolution 5.

Resolution 6. Approval to issue Shortfall Shares and attaching Options in connection with the Share Purchase Plan

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the proposed issue of SPP Shortfall Shares (defined below), and free attaching Options, to professional and sophisticated investors, including pursuant to the SPP Underwriting Agreement (defined below).

Background

As set out in the Company's ASX announcement on 5 April 2023, the Company is seeking to raise up to \$1,000,000 under the SPP (with the ability to accept oversubscriptions).

The number of Shares representing the difference between \$1,000,000 worth of Shares (at the Offer Price) and the value of valid applications received from eligible Shareholders under the SPP, calculated at the Offer Price is referred to as the "**SPP Shortfall Shares**".

As announced to ASX on 28 April 2023, the SPP is fully underwritten by Canaccord Genuity (Australia) Limited up to \$1,000,000 worth of SPP Shortfall Shares pursuant to the SPP Underwriting Agreement (defined below). Accordingly, if no subscriptions are received for Shares under the SPP, Canaccord will be required to subscribe for \$1,000,000 worth of SPP Shortfall Shares at the Offer Price of \$0.018 per Share, subject to the passing of Resolution 6. Likewise, if subscriptions are received for \$1,000,000 worth of Shares under the SPP, there will not be any SPP Shortfall Shares and Canaccord will not have any obligation to subscribe for Shares.

The Shares issued under the SPP, including the SPP Shortfall Shares, will be issued with one free attaching Option for every Share issued. The Options are being issued for nil consideration as part of the SPP.

Accordingly, Resolution 6 seeks Shareholder approval to issue:

- (a) up to the maximum of \$1,000,000 worth of Shortfall Shares (being approximately 55,555,555 Shares) to Canaccord and other sophisticated and professional investors who are not related parties of the Company; and
- (b) one free attaching Option for every Shortfall Share issued.

In each case, this assumes that no Shareholders subscribe for Shares under the SPP. The number of Shortfall Shares and Options issued will decrease proportionately for each Share and Option subscribed for by Shareholders under the SPP.

Summary of key terms of the SPP Underwriting Agreement

As announced to ASX on Friday, 28 April 2023, the Company and Canaccord entered into an underwriting agreement in connection with the Share Purchase Plan on 28 April 2023 (**SPP Underwriting Agreement**).

The Company agreed to give standard representations and warranties to Canaccord in the SPP Underwriting Agreement and agreed to provide a standard indemnity for the benefit of Canaccord and pay Canaccord's reasonable expenses. It also agrees to conduct the Capital Raising in accordance with applicable law.

In consideration for underwriting the SPP, the Company agreed to issue to Canaccord the following securities:

- (a) 3,000,000 Shares; and
- (b) 6,000,000 Options,

subject to Shareholder approval (see Resolution 7). Resolution 6 is conditional on the passing of Resolution 7. This means that if either Resolution 6 or Resolution 7 is not passed, the SPP will not be underwritten and Canaccord will not be issued any Shares or Options under this Resolution 7.

The SPP Underwriting Agreement is subject to certain standard conditions precedent, including that Shareholders approve the underwriting of the SPP, the Placement having completed and the Prospectus being lodged with ASIC and ASX.

If any of the following events occurs between the date of the SPP Underwriting Agreement and the settlement of the SPP Shortfall Shares, Canaccord is entitled to terminate the SPP Underwriting Agreement (in which case it will not receive any fees in connection with the SPP):

- (a) the Company withdraws the Placement or the SPP;
- (b) ASX announces that the Shares will be delisted, removed from quotation, withdrawn from admission or suspended;
- (c) the Company is unable to issue the SPP Shortfall Shares; or
- (d) the ASX200 Index falls to a level which is 10.0% or more below the level of that index on the close of trading on the Business Day before the date of the SPP Underwriting Agreement and closes at or below that level on:
 - (i) any three consecutive Business Days after the date of the SPP Underwriting Agreement and on or before the Business Day immediately prior to the date of settlement of the SPP Shortfall Shares; or
 - (ii) at the close of trading on the Business Day immediately prior to the date of settlement of the SPP Shortfall Shares.

ASX Listing Rules 7.1 and 7.3

See Resolutions 3 and 4 for a summary of ASX Listing Rules 7.1 and 7.3.

The proposed issue of SPP Shortfall Shares and free attaching Options does not fit within any of the exceptions in Listing Rule 7.2 and, on the basis that the Company's capacity under Listing Rule 7.1 and 7.1A is exhausted at the time that the SPP Shortfall Shares and attaching Options are proposed to be issued (as a result of the Placement), it requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 6 is passed, the Company will be permitted to issue the SPP Shortfall Shares, together with free attaching Options, pursuant to the SPP Underwriting Agreement to Canaccord and other sophisticated and professional investors who are not related parties of the Company in compliance with Listing Rule 7.1. If Resolution 6 is passed, the SPP Shortfall Shares and related Options will be excluded from the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without prior Shareholder approval over the 12-month period following the date of issue of the SPP Shortfall Shares and related Options.

If Resolution 6 is not passed, the Company will not be permitted to issue SPP Shortfall Shares and attaching Options pursuant to the SPP Underwriting Agreement.

Information provided in accordance with ASX Listing Rule 7.3

For the purpose of Resolution 6, the following information is provided in relation to the proposed issue of SPP Shortfall Shares and attaching Options in accordance with Listing Rule 7.3:

- (a) The maximum number of:
 - (i) SPP Shortfall Shares to be issued is calculated as \$1,000,000 divided by the Offer Price (being \$0.018), being 55,555,555 Shares; and
 - (ii) Options attaching to Shortfall Shares to be issued is one Option for every Shortfall Share issued.
- (b) If there are SPP Shortfall Shares, no more than \$1,000,000 worth of new Shares (at the Offer Price) will be issued in aggregate under the SPP and SPP Shortfall Offer. For every dollar of Shares subscribed for under the SPP, the number of SPP Shortfall Shares available under the SPP Shortfall Offer will be reduced by one dollar.
- (c) The SPP Shortfall Shares and attaching Options will be issued within 3 months of the date of the AGM. The attaching Options will be issued to participants in the SPP Shortfall Offer on the basis of one Option for every Shortfall Share issued.
- (d) The SPP Shortfall Shares and attaching Options will be issued to Canaccord Genuity (Australia) Limited, as underwriter of the SPP, and sophisticated and professional investors nominated by Canaccord (including as sub-underwriters), who are not related parties of the Company. The SPP Shortfall Shares and attaching Options will be issued to Canaccord Genuity (Australia) Limited, as underwriter of the SPP, and sophisticated and professional investors nominated by Canaccord (including as sub-underwriters), who are not related parties of the Company. In the event that there were no applications under the SPP and Canaccord was required to subscribe for all of the SPP Shortfall Shares (and applied for all of the attaching Options), it would be issued 55,555,555 Shares and 55,555,555 Options under this resolution. In addition, Canaccord will be issued 3,000,000 Shares and 6,000,000 Options under Resolution 7 (subject to Shareholder approval).
- (e) The issue price of the SPP Shortfall Shares will be the Offer Price. The issue price of the attaching Options will be nil as they will be issued free attaching with Shortfall Shares issued under the SPP Shortfall Offer (under the Prospectus). Accordingly, no cash proceeds will be realized from the issue of Options in connection with the SPP Shortfall Offer.
- (f) The SPP Shortfall Shares issued under the SPP Shortfall Offer will be fully paid and rank equally in all respects with the Company's other Shares on issue, save for the fact that every SPP Shortfall Share issued under the SPP Shortfall Offer will be entitled to subscribe for one free attaching Option. The free attaching Options will be issued in accordance with the terms set out in Schedule 1.

- (g) Assuming no subscriptions are received under the SPP, up to approximately 55,555,555 Options would be issued under the SPP Shortfall Offer. If all of these Options were exercised, the Company would raise total proceeds of approximately \$1,111,111. These funds will be used to pursue the Company's growth strategy and for working capital purposes.
- (h) Shares to be issued on the exercise of the Options will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (h) Funds raised from the SPP Shortfall Shares issued under the SPP Shortfall Offer will be used by the Company to pursue the Company's growth strategy and for working capital purposes.
- (i) A voting exclusion statement in relation to Resolution 6 is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

Resolution 7. Issue of Shares and Options to Canaccord

Background

The Company has agreed, subject to the passing of Resolution 7, to issue to Canaccord (or its nominee(s)):

- (a) 3,000,000 Shares; and
- (b) 6,000,000 Options (issued on the terms set out in Schedule 1),

in consideration for underwriting the SPP.

The key terms of the SPP Underwriting Agreement is described at Resolution 6 above.

Resolution 7 is conditional on the passing of Resolution 6. This means that if either Resolution 6 or Resolution 7 is not passed, the SPP will not be underwritten and Canaccord will not be issued any Shares or Options under this Resolution 7.

ASX Listing Rules 7.1 and 7.3

See Resolutions 3 and 4 for a summary of ASX Listing Rules 7.1 and 7.3.

If Resolution 7 is passed, the Shares and Options to be issued to Canaccord (or its nominee(s)) will be excluded from the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively increasing the number of equity securities that the Company can issue without prior Shareholder approval over the 12-month period following the date of issue of the Shares and Options to be issued to Canaccord (or its nominee(s)). The effect of Resolution 7 is to permit the Company to issue 3 million Shares and 6 million Options to Canaccord (or nominee(s)) in consideration for underwriting the SPP.

If Resolution 7 is not passed, the SPP will not be underwritten and Canaccord will not be issued any Shares or Options under this Resolution 7. If Resolution 7 is not passed, the Company will not pay Canaccord the SPP underwriting fee and, because Resolution 6 is conditional on Resolution 7 being passed, the SPP will not be underwritten and the issue of Shortfall Shares will not proceed.

For the purpose of Resolution 7, the following information is provided in relation to the proposed issue of Shares and Options in accordance with Listing Rule 7.3:

- (a) The maximum number of:
 - a. Shares to be issued is 3,000,000 Shares; and
 - b. Options to be issued is 6,000,000 Options.
- (b) The Shares and Options will be issued within 3 months of the date of the AGM.
- (c) The Shares and Options will be issued to Canaccord Genuity (Australia) Limited, as underwriter of the SPP (and nominee(s) who are not related parties of the Company). Canaccord (or nominee(s)) will be issued 3,000,000 Shares and 6,000,000 Options under this Resolution 7 (subject to Shareholder approval). In addition, in the event that there were no applications under the SPP and Canaccord was required to subscribe for all of the SPP Shortfall Shares (and applied for all of the attaching Options) under Resolution 6, it would be issued 55,555,555 Shares and 55,555,555 Options under Resolution 6.
- (d) The Shares and Options will be issued in lieu of cash fees for underwriting the SPP. Accordingly, no cash consideration will be raised by the Company from the issue of Shares or Options to Canaccord (and no cash fees will be payable to Canaccord for underwriting the SPP). At the Offer Price under the Placement, the total value of the Shares is approximately \$54,000.
- (e) If all of the Options were exercised, the Company would raise total proceeds of approximately \$120,000. These funds will be used to pursue the Company's growth strategy and for working capital purposes.
- (f) The Shares will be fully paid and rank equally in all respects with the Company's other Shares on issue, The Options will be issued in accordance with the terms set out in Schedule 1.
- (g) Shares to be issued on the exercise of the Options will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (h) A voting exclusion statement in relation to Resolution 7 is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolution 7.

Resolution 8. Issue of Director Fee Rights to Director Ms Helen Wiseman

Background

This Resolution seeks Shareholder approval to issue 3,055,556 Performance Share Rights (**Director Fee Rights**) to Ms Helen Wiseman, in lieu of Directors' fees for the period 1 July 2023 to 30 June 2024.

On exercise, each Director Fee Right converts to one Share and one Option (issued on the same terms as the Options set out in Schedule 1).

Pursuant to Ms Wiseman's agreed terms of appointment, Ms Wiseman has agreed to receive 50% of her annual Director's fee (ie, \$55,000 out of a total of \$110,000) as Director Fee Rights in lieu of cash, subject to Shareholder approval being obtained.

Accordingly, Shareholder approval is being sought under this Resolution 8 to issue Director Fee Rights to Ms Wiseman. The number of Director Fee Rights proposed to be issued to Ms Wiseman has been calculated as follows:

Director	50% of Annual Director Fees (AUD)	Deemed issue price per Director Fee Right **	Number of Director Fee Rights	Number of Shares issued on exercise of the Director Fee Rights	Number of Options issued on exercise of the Director Fee Rights
Helen Wiseman	\$55,000	\$0.018	3,055,556	3,055,556 Shares	3,055,556 Options

The deemed issue price was in accordance with the issue price of the Placement Shares to unrelated third party investors announced on 5 April 2023.

Upon vesting, each Director Fee Right will convert to one Share plus one Option (see Schedule 1 for the terms of issue of the Options), consistent with the terms of issue of the Shares issued under the Placement and SPP.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where a company issues, or agrees to issue, securities to a related party of the company, an associate of that related party or other persons caught by ASX Listing Rule 10.11. A related party of the company includes a director of that company.

As Ms Wiseman is a Director of the Company, she is a related party of the Company for the purposes of ASX Listing Rule 10.11.1. The proposed issue does not fall within any of the exceptions in ASX Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

To this end, this Resolution seeks the required Shareholder approval to issue the Director Fee Rights, and the Shares and Options to be issued on conversion of the Director Fee Rights, to Ms Wiseman under and for the purposes of ASX Listing Rule 10.11.

If approval is obtained under ASX Listing Rule 10.11, in accordance with ASX Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the proposed issue and Ms Wiseman will be issued the Director Fee Rights (and the Shares and Options on conversion of the Director Fee Rights).

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue and Ms Wiseman will not be issued with the Director Fee Rights. Instead, Ms Wiseman will receive her remuneration in cash.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Director Fee Rights (which is a type of equity security, for the purposes of the Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

As a Director, Ms Wiseman is a related party of the Company.

The Directors (other than Ms Wiseman) carefully considered the issue of these Director Fee Rights and formed the view that the giving of this financial benefit is reasonable remuneration, given the circumstances of the Company and Ms Wiseman's responsibilities as a Director of the Company.

In reaching this view, the following considerations were taken into account:

- (a) the Director Fee Rights do not represent an incentive, but reflect the actual Director fees which are owed, or will be owed, to the Ms Wiseman in accordance with her agreed terms of appointment.
- (b) the value of Ms Wiseman's fees are ordinarily \$110,000 per annum but for this period, \$55,000 will be in paid in cash and \$55,000 in Director Fee Rights;
- (c) the value of Ms Wiseman's fees are considered reasonable and in accordance with market practice;
- (d) the issue of Director Fee Rights is a cost effective and efficient method to remunerate Ms Wiseman for her services as a Director of the Company, as opposed to the payment of cash;
- (e) the terms of issue of the Director Fee Rights, involving the issue of a Share and attaching Option on conversion of the Director Fee Rights, is similar to the terms of the Capital Raising; and
- (f) the issue of Director Fee Rights allows the Company to attract and maintain high quality professionals to the Board of the Company, without impacting the Company's cash reserves.

Accordingly, the Directors believe that the issue of Director Fee Rights to Ms Wiseman falls within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act.

Information required by ASX Listing Rule 10.13

The following information in relation to the issue of the Director Fee Rights to Ms Wiseman is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- 10.13.1 The Director Fee Rights will be issued to Ms Wiseman or her nominee.
- 10.13.2 Ms Wiseman is a Director and accordingly, shareholder approval for Helen Wiseman to acquire securities pursuant to ASX Listing Rule 10.11 is required by virtue of Ms Wiseman being a related party of the Company under ASX Listing Rule 10.11.1.

- 10.13.3 The maximum number of Director Fee Rights to be issued to Ms Wiseman is 3,055,556. If all of the Director Fee Rights vest and are exercised, a total of:
- 3,055,556 Shares; and
 - 3,055,556 Options,
- will be issued by the Company.
- 10.13.4 The Director Fee Rights will be issued following Shareholder approval and will rank equally in all aspects with all existing share rights previously issued by the Company, with the exception that the Director Fee Rights will be exercisable for one Share and one Option.
- 10.13.5 It is intended that the Director Fee Rights will be issued to Ms Wiseman on or around 31 May 2023 subject to Shareholder approval, but no later than one (1) month after the date of the meeting.
- 10.13.6 The Director Fee Rights will be issued to Ms Wiseman (and/or her nominee) in lieu of director fees payable to Ms Wiseman.
- 763,889 (25% of total) Director Fee Rights will vest each quarter on 15 August 2023, 15 November 2023, 15 February 2024 and 15 May 2024, on the basis Ms Wiseman continues to be a director as at each vesting date. Upon vesting each Director Fee Right will convert to one Share plus one Option. No cash consideration will be payable upon the conversion of the Director Fee Rights, however a payment of \$0.02 will be required for each Option that is exercised. If all of the Options are issued and exercised, a total of \$61,111 will be raised by the Company, which will be used for working capital purposes.
- 10.13.7 The Company will issue the Director Fee Rights to Ms Wiseman in lieu of paying Directors fees of up to 50% of Ms Wiseman's current remuneration package outlined below at 10.13.8.
- 10.13.8 Ms Wiseman's total remuneration package for FY2022 included:
- Director fees and superannuation of \$125,919;
 - equity settled performance share rights of \$17,513; and
 - a total remuneration package of \$143,432
- Ms Wiseman current remuneration package for FY2023 is a Director's fee of \$110,000 per annum, effective from 22 November 2022.
- Further information regarding the remuneration of Ms Wiseman is set out in the Company's Remuneration Report which forms part of the 2022 Annual Report.
- 10.13.9 There is no other agreement under which the securities are to be issued.
- 10.13.10 A voting exclusion statement is included in the Notice.

The Directors, except for Ms Helen Wiseman, unanimously recommend Shareholders vote in favour of Resolution 8.

The Chair intends to vote undirected proxies in favour of Resolution 8.

Resolution 9. Issue of Director Fee Rights to Director Mr David Fenlon

This Resolution seeks Shareholder approval to issue and allot 2,500,000 Performance Share Rights (**Director Fee Rights**) to Mr Fenlon, in lieu of Directors' fees for the period 1 July 2023 to 30 June 2024.

On exercise, each Director Fee Right converts to one Share and one Option (issued on the same terms as the Options set out in Schedule 1).

Pursuant to Mr Fenlon's agreed terms of appointment, Mr Fenlon has agreed to receive 50% of his Director's fee (\$45,000 out of a total of \$90,000) as Director Fee Rights in lieu of cash, subject to Shareholder approval being obtained.

Accordingly, Shareholder approval is being sought under this Resolution 9 to issue Director Fee Rights to Mr Fenlon.

The number of Director Fee Rights proposed to be issued to Mr Fenlon has been calculated as follows:

Director	50% of Annual Director Fees (AUD)	Deemed issue price per Director Fee Right **	Number of Director Fee Rights	Number of Shares issued on exercise of the Director Fee Rights	Number of Options issued on exercise of the Director Fee Rights
David Fenlon	\$45,000	\$0.018	2,500,000	2,500,000 Shares	2,500,000 Options

The deemed issue price was in accordance with the issue price of the Placement Shares to unrelated third party investors announced on 5 April 2023.

Upon vesting, each Director Fee Right will convert to one Share plus one Option (see Schedule 1 for the terms of issue of the Options), consistent with the terms of issue of the Shares issued under the Placement and SPP

ASX Listing Rule 10.11

ASX Listing Rule 10.11 is described at Resolution 8 above. As Mr Fenlon is a Director of the Company, he is a related party of the Company for the purposes of ASX Listing Rule 10.11.1. The proposed issue does not fall within any of the exceptions in ASX Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

To this end, this Resolution seeks the required Shareholder approval to issue the Director Fee Rights, and the Shares and Options to be issued on conversion of the Director Fee Rights, to Mr Fenlon under and for the purposes of ASX Listing Rule 10.11.

If approval is obtained under ASX Listing Rule 10.11, in accordance with ASX Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the proposed issue and Mr Fenlon will be issued the Director Fee Rights (and the Shares and Options on conversion of the Director Fee Rights).

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue and Mr Fenlon will not be issued with the Director Fee Rights. Instead, Mr Fenlon will receive his remuneration in cash.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is described at Resolution 8 above.

For the same reasons as pertain to Ms Wiseman (see Resolution 8 above), the Directors believe that the issue of Director Fee Rights to Mr Fenlon falls within the “reasonable remuneration” exception as set out in section 211 of the Corporations Act.

Information required by ASX Listing Rule 10.13

The following information in relation to the issue of the Director Fee Rights to Mr Fenlon is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- 10.13.1 The Director Fee Rights will be issued to Mr Fenlon or his nominee.
- 10.13.2 Mr Fenlon is a Director and accordingly, Shareholder approval for Mr Fenlon to acquire securities pursuant to ASX Listing 10.11 is required by virtue of Mr Fenlon being a related party of the Company under ASX Listing Rule 10.11.1.
- 10.13.3 The maximum number of Director Fee Rights to be issued to Mr Fenlon is 2,500,000. If all of the Director Fee Rights vest and are exercised, a total of:
- 2,500,000 Shares; and
 - 2,500,000 Options,
- will be issued by the Company.
- 10.13.4 The Director Fee Rights will be issued following Shareholder approval and will rank equally in all aspects with existing share rights previously issued by the Company, with the exception that the Director Fee Rights will be exercisable for one Share and one Option.
- 10.13.5 It is intended that the Director Share Rights will be issued (subject to Shareholder approval) to Mr Fenlon on or around 31 May 2023 but no later than one month after the date of the Meeting.
- 10.13.6 The Director Fee Rights will be issued to Mr Fenlon (and/or his nominee) in lieu of Director fees payable to Mr Fenlon.
- 625,000 (25% of total) Director Fee Rights will vest each quarter on 15 August 2023, 15 November 2023, 15 February 2024 and 15 May 2024, on the basis Mr Fenlon continues to be a director as at each vesting date. Upon vesting each Director Fee Right will convert to one Share plus one Option. No cash consideration will be payable upon the conversion of the Director Fee Rights, however a payment of \$0.02 will be required for each Option that is exercised. If all of the Options are issued and exercised, a total of \$50,000 will be raised by the Company, which will be used for working capital purposes.
- 10.13.7 The Company will issue the Director Fee Rights to Mr Fenlon in lieu of paying Directors fees of up to 50% of Mr Fenlon’s current remuneration package as outlined below at 10.13.8.
- 10.13.8 Mr Fenlon’s total remuneration package for FY2022 included:
- Director fees and superannuation of \$65,513;
 - equity settled performance share rights of \$6,684; and
 - a total remuneration package of \$72,197

Mr Fenlon’s current remuneration package for FY2023 is a Director’s fee of \$90,000 per annum, effective from 22 November 2022.

Further information regarding the remuneration of Mr Fenlon is set out in the Company’s Remuneration Report which forms part of the 2022 Annual Report.

10.13.9 There is no other agreement under which the securities are to be issued.

10.13.10 A voting exclusion statement is included in the Notice.

The Directors, except for David Fenlon, unanimously recommend Shareholders vote in favour of Resolution 9.

The Chair intends to vote undirected proxies in favour of Resolution 9.

Resolution 10. Approval of Issue of Salary Sacrifice Rights to Director Mr Ronald Dufficy

Background

This Resolution seeks Shareholder approval to issue and allot 3,611,112 Performance Share Rights (**Salary Sacrifice Rights**) to Mr Ronald Dufficy, in lieu of 20% of his remuneration as Group Chief Executive Officer and Managing Director for the period 1 July 2023 to 30 June 2024.

On exercise, each Salary Sacrifice Right converts to one Share and one Option (issued on the same terms as the Options set out in Schedule 1).

Mr Dufficy was appointed as Managing Director of the Company on 6 April 2023. Mr Dufficy has agreed to receive 20% of his remuneration as Salary Sacrifice Rights in lieu of cash, subject to Shareholder approval being obtained.

Accordingly, Shareholder approval is being sought under this Resolution 10 to issue Salary Sacrifice Rights to Mr Dufficy.

The number of Salary Sacrifice Rights proposed to be issued to Mr Dufficy has been calculated as follows:

Director	20% of Annual Salary (AUD)	Deemed issue price per Salary Sacrifice Right **	Number of Salary Sacrifice Rights	Number of Shares issued on exercise of the Salary Sacrifice Rights	Number of Options issued on exercise of the Salary Sacrifice Rights
Ronald Dufficy	\$65,000	\$0.018	3,611,112 Salary Sacrifice Fee Rights	3,611,112 Shares	3,611,112 Options

The deemed issue price was in accordance with the issue price of the Placement Shares to unrelated third party investors announced on 5 April 2023.

Upon vesting each Salary Sacrifice Right will convert to one Share plus one Option (see Schedule 1 for the terms of issue of the Options), consistent with the terms of issue of the Shares issued under the Placement and SPP.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 is described at Resolution 8 above. As Mr Dufficy is a Director of the Company, he is a related party of the Company for the purposes of ASX Listing Rule 10.11.1. The proposed issue does not fall within any of the exceptions in ASX Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

To this end, this Resolution seeks the required Shareholder approval to issue the Salary Sacrifice Rights, and the Shares and Options to be issued on conversion of the Salary Sacrifice Rights, to Mr Dufficy under and for the purposes of ASX Listing Rule 10.11.

If approval is obtained under ASX Listing Rule 10.11, in accordance with ASX Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the proposed issue and Mr Dufficy will be issued the Salary Sacrifice Rights (and the Shares and Options on conversion of the Salary Sacrifice Rights).

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue and Mr Dufficy will not be issued with the Salary Sacrifice Rights. Instead, Mr Dufficy will receive his remuneration in cash.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is described at Resolution 8 above.

For the same reasons as pertain to Ms Wiseman (see Resolution 8 above) and Mr Fenlon (see Resolution 9 above), the Directors believe that the issue of Salary Sacrifice Rights to Mr Dufficy falls within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act.

Information required by ASX Listing Rule 10.13

The following information in relation to the issue of the Salary Sacrifice Rights to Mr Dufficy is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- 10.13.1 The Salary Sacrifice Rights will be issued to Mr Dufficy or his nominee.
- 10.13.2 Mr Dufficy is a Director and accordingly, Shareholder approval for Mr Dufficy to acquire securities pursuant to ASX Listing Rule 10.11 is required by virtue of Mr Dufficy being a related party of the Company under ASX Listing Rule 10.11.1.
- 10.13.3 The maximum number of Salary Sacrifice Rights to be issued to Mr Dufficy is 3,611,112. If all of the Salary Sacrifice Rights vest and are exercised, a total of:
 - 3,611,112 Shares; and
 - 3,611,112 Options,will be issued by the Company
- 10.13.4 The Salary Sacrifice Rights will be issued following Shareholder approval and will rank equally in all aspects with all existing share rights previously issued by the Company, with the exception that the Salary Sacrifice Rights will be exercisable for one Share and one Option.
- 10.13.5 It is intended that the Salary Sacrifice Rights will be issued (subject to Shareholder approval) to Mr Dufficy on or around 31 May 2023 but no later than one month after the date of the Meeting.
- 10.13.6 The Salary Sacrifice Rights will be issued to Mr Dufficy (and/or his nominee) in lieu of paying Mr Dufficy up to 20% of his remuneration.

The Salary Sacrifice Rights will be issued to Mr Dufficy (and/or his nominee) for nil cash consideration. 902,778 (25% of total) Salary Sacrifice Rights will vest each quarter on 15 August 2023, 15 November 2023, 15 February 2024 and 15 May 2024, on the basis Mr Dufficy continues to be employed as at each vesting date. Upon vesting each Salary Sacrifice Right will convert to one Share plus one Option. No cash consideration will be payable upon the conversion of the Salary Sacrifice Rights, however a payment of \$0.02 will be required for each Option that is exercised. If all of the Options are issued and exercised, \$72,222 will be raised by the Company, which will be used for working capital purposes.

10.13.7 The Company will issue the Salary Sacrifice Rights to Mr Dufficy in lieu of paying up to 20% of Mr Dufficy's current cash remuneration as outlined below at 10.13.8.

10.13.8 Mr Dufficy's total remuneration package for FY2022 included:

- a fixed base salary of \$283,586;
- a cash bonus of \$37,015;
- superannuation of \$24,420;
- equity settled performance share rights of (\$48,544); and
- a total remuneration package of \$296,487

Information regarding the remuneration of Mr Dufficy for FY2023 is set out in the Company's Remuneration Report which forms part of the 2022 Annual Report. Page 19 of the Annual Report details Mr Dufficy's fixed remuneration effective from 1 January 2023.

Mr Dufficy's total remuneration package for FY2023 is a fixed base salary of \$325,000 inclusive of superannuation, with a target short-term incentive bonus of \$130,000 in accordance with the Company's short-term incentive scheme.

10.13.9 There is no other agreement under which the securities are to be issued.

10.13.10 A voting exclusion statement is included in the Notice.

The Directors, except for Mr Ronald Dufficy, unanimously recommend Shareholders vote in favour of Resolution 10.

The Chair intends to vote undirected proxies in favour of Resolution 10.

Resolution 11. Approval of Issue of Short-Term Incentive Performance Share Rights under the Elixinol Wellness Limited Equity Plan to Mr Ronald Dufficy

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

The Company proposes to grant a total of 3,478,785 Share Rights to Mr Dufficy on 31 May 2023 under the terms of the Plan subject to Shareholder approval (**proposed grant**). The method of calculation of the number of Share Rights in the proposed grant is set out below.

The proposed grant under the Plan to Mr Dufficy is to settle Mr Dufficy's 2022 short-term incentive by issuing Share Rights in lieu of a cash settlement of \$73,054.

A summary of the Plan is set out in Annexure A.

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, given Mr Dufficy is a Director of the Company, approval is sought for the proposed grant to Mr Dufficy of 3,478,785 Share Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms of the proposed grant are detailed below. This proposed grant is conditional on receiving Shareholder approval.

If approval is given under ASX 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 Resolution 11 is passed, the Company will be able to proceed with the issue of securities to Mr Dufficy as a short-term incentive under the Plan.

If Shareholders do not approve Resolution 11, the proposed issue of Share Rights to Mr Dufficy will not proceed and he will be paid in cash an amount of \$73,054.

The Company has determined that the proposed grant of Share Rights under the Plan pursuant to the Resolution 11 as part of Mr Dufficy's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

The key terms of the Share Rights grant to Mr Dufficy are set out in the table below.

Details of the Grant	The proposed grant to Mr Dufficy is 3,478,785 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 be vested on grant.
Performance Period	1 January 2022 to 31 December 2022.
Date of Grant	31 May 2023 (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.
Cessation of employment	If Mr Dufficy ceases to be a Director of the Company prior to the vesting of Share Rights, the treatment will depend on the circumstances of cessation and the exercise of the Board's discretion in accordance with the Plan Rules. Refer to Annexure A for further details.

Control and Take over events	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 Mr Dufficy'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.
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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 The Share Rights will be issued to Mr Dufficy or his nominee.
- 10.15.2 Mr Dufficy was appointed as Managing Director of the Company on 6 April 2023. Accordingly, Shareholder approval for Ronald Dufficy to acquire securities under an employee incentive scheme is required under ASX Listing Rule 10.14.1 as Mr Dufficy is a Director of the Company.
- 10.15.3 The maximum number of securities to be issued to Mr Dufficy is 3,478,785 Share Rights.
- 10.15.4 Mr Dufficy's total remuneration package for FY2022 included:
- a fixed base salary of \$283,586;
 - a cash bonus of \$37,015;
 - superannuation of \$24,420;
 - equity settled performance share rights of (\$48,544); and
 - a total remuneration package of \$296,487

Information regarding the remuneration of Mr Dufficy for FY2023 is set out in the Company's Remuneration Report which forms part of the 2022 Annual Report. Page 19 of the Annual Report details Mr Dufficy's fixed remuneration effective from 1 January 2023.

Mr Dufficy's total remuneration package for FY2023 is a fixed base salary of \$325,000 inclusive of superannuation, with a target short-term incentive bonus of \$130,000 in accordance with the Company's short-term incentive scheme.

- 10.15.5 Mr Dufficy has previously received the following securities under the Plan:

Number of rights granted	Grant date	Vesting date and exercisable date	Expiry	TSR baseline
900,000	15 May 2018	28 February 2023	Expired	\$1.56
208,791	30 July 2020	28 February 2023	Expired	\$0.546
854,430	16 October 2020	28 February 2021	Vested	\$0.158
156,593	7 July 2021	28 February 2022	Vested	\$0.182
548,077	7 July 2021	28 February 2024	7 October 2026	\$0.115
1,366,438	21 January 2022	28 February 2025	21 April 2027	\$0.073

All securities listed above were acquired under the Plan for nil consideration.

- 10.15.6 A summary of the material terms of the Share Rights is set out above.
- The Share Rights have been calculated in accordance with the calculations detailed in the Company's short-term incentive plan rules, which are outlined in the Company's Remuneration Report which forms part of the 2022 Annual Report.
- A copy of the Company's Remuneration Report is available on the Company's website at <https://www.elixinolwellness.com/site/investor> and Shareholders can contact the Company Secretary at company.secretary@elixinolwellness.com for a copy of the short-term incentive plan rules.
- The Share Rights are being issued to incentivise Mr Dufficy to deliver the Company's growth strategy and drive financial performance in the interests of Shareholders. The Board is satisfied that Mr Dufficy'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 \$73,054 and is calculated using \$0.021 per share being the 5-day VWAP prior to 31 December 2022.
- 10.15.7 The Share Rights will be issued to Mr Dufficy on or around 31 May 2023 (subject to Shareholder approval). The Share Rights will be issued no later than one (1) month after the date of the Meeting.
- 10.15.8 The Share Rights will be issued to Mr Dufficy (and/or his nominee) in lieu of paying \$73,054 in cash under Mr Dufficy's FY2022 STI award.
- 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 Shares Rights.
- 10.15.9 A summary of the material terms of the Plan is set out in Annexure A.
- 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 Mr Dufficy 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 ASX 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 is included in the Notice.

Resolution 11 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 Mr Ronald Dufficy is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with Mr Ronald Dufficy abstaining from making a recommendation) that Shareholders vote in favour of Resolution 11.

The Chair intends to vote undirected proxies in favour of Resolution 11.

Resolution 12. Approval of Issue of Retention Performance Share Rights under the Elixinol Wellness Limited Equity Plan to Mr Ronald Dufficy

This resolution deals with the proposed grant of Share Rights as a Retention Bonus (**Retention Share Rights**) under the Elixinol Wellness Limited Equity Plan Incentive Plan (**Plan**) to Mr Ronald Dufficy, the Managing Director of the Company.

The Company proposes to grant a total of 1,300,000 Retention Share Rights to Mr Dufficy on 31 May 2023 under the terms of the Plan subject to Shareholder approval (**proposed grant**).

The proposed grant under the Plan to Mr Dufficy is to settle Mr Dufficy's 2023 Retention Bonus by issuing Retention Share Rights in lieu of a cash settlement of approximately \$32,500.

A summary of the Plan is set out in Annexure A.

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, given Mr Dufficy is a Director of the Company, approval is sought for the proposed grant to Mr Dufficy of 1,300,000 Retention Share Rights under the Plan. For the purposes of ASX Listing Rule 10.15, the key terms are detailed below. The proposed grant is conditional on receiving Shareholder approval.

If approval is given under ASX 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 Resolution 12 is passed, the Company will be able to proceed with the issue of Retention Share Rights as a Retention Bonus to Mr Dufficy.

If Shareholders do not approve Resolution 12, the proposed issue of Retention Share Rights to Mr Dufficy will not proceed and he will be paid in cash his Retention Bonus, being an amount of \$32,500.

The Company has determined that the proposed grant of Retention Share Rights under the Plan pursuant to the Resolution 12 as part of Mr Dufficy's remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

The key terms of the Retention Share Rights grant to Mr Dufficy are set out in the table below:

Details of the Grant	The proposed grant to Mr Dufficy is 1,300,000 Retention Share Rights. Each Retention 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 Retention Share Rights.
Vesting of Performance Share Rights	The Retention Share Rights will vest on 30 September 2023.
Performance Period	1 February 2023 to 30 September 2023.
Date of Grant	31 May 2023, subject to Shareholder approval.

Vesting Conditions which must be satisfied (or waived) before Share Rights vest and can be exercised	Retention Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Retention Share Rights have been satisfied (or waived by the Board) or the date on which the Retention Share Rights otherwise vest in accordance with the Plan Rules. The Retention Share Rights are subject to being employed as at 30 September 2023 and are otherwise issued in accordance with the Plan rules.
Cessation of employment	If Mr Dufficy ceases to be a Director of the Company prior to the vesting of Retention Share Rights, the treatment will depend on the circumstances of cessation, the Plan Rules (see Annexure A) and the Board's discretion.
Control and Take over events	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 Mr Dufficy's unvested Retention 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 Retention Share Rights to the date of the Control or Takeover Event.

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 The Retention Share Rights will be issued to Mr Dufficy or his nominee.
- 10.15.2 Mr Dufficy was appointed as Managing Director of the Company on 6 April 2023. Accordingly, Shareholder approval for Mr Dufficy to acquire securities under an employee incentive scheme is required under ASX Listing Rule 10.14.1 as Mr Dufficy is a Director of the Company.
- 10.15.3 The maximum number of Retention Share Rights to be issued to Mr Dufficy is 1,300,000.
- 10.15.4 Mr Dufficy's total remuneration package for FY2022 is described at Resolution 11 above.

Information regarding the remuneration of Mr Dufficy for FY2023 is set out in the Company's Remuneration Report which forms part of the 2022 Annual Report. Page 19 of the Annual Report details Mr Dufficy's fixed remuneration effective from 1 January 2023.

Mr Dufficy's total remuneration package for FY2023 is a fixed base salary of \$325,000 inclusive of superannuation, with a target short-term incentive bonus of \$130,000 in accordance with the Company's short-term incentive scheme.

- 10.15.5 Mr Dufficy's prior grants under the Plan are described at Resolution 11 above.
- 10.15.6 A summary of the material terms of the Retention Share Rights are included above.

The Share Rights have been calculated in accordance with the calculations detailed in the Company's short-term incentive plan rules, which are outlined in the Company's Remuneration Report which forms part of the 2022 Annual Report.

A copy of the Company's Remuneration Report is available on the Company's website at <https://www.elixinolwellness.com/site/investor> and Shareholders can contact the Company Secretary at company.secretary@elixinolwellness.com for a copy of the short-term incentive plan rules.

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

The value that the Company attributes to the Retention Share Rights being issued is \$32,500 and is calculated using \$0.025 per share being the 5 day VWAP prior to 1 February 2023.

- 10.15.7 The Retention Share Rights will be issued to Mr Dufficy on or around 31 May 2023 (subject to Shareholder approval). The Retention Share Rights will be issued no later than one (1) month after the date of the Meeting.
- 10.15.8 The Retention Share Rights will be issued to Mr Dufficy (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Retention Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Retention Share Rights.
- 10.15.9 A summary of the material terms of the Plan are included in Annexure A. 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 Mr Dufficy in relation to the Retention 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 ASX 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 is included in the Notice.

Resolution 12 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 Retention Share Rights to Mr Ronald Dufficy is an appropriate incentive in the best interests of Elixinol Wellness Limited and therefore recommends (with Mr Ronald Dufficy abstaining from making a recommendation) that Shareholders vote in favour of Resolution 12.

The Chair intends to vote undirected proxies in favour of Resolution 12.

Resolution 13. 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 twelve 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 A**. A copy of the full Plan terms is available on the Company's website at: <https://www.elixinolwellness.com/site/investor/equity-plan-rules>.

If Shareholders approve Resolution 13, any issue of equity securities under the Plan during the three 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 13, any issue of equity securities under the Plan will use the Company's 15% Placement Capacity, effectively decreasing the number of equity securities it can issue without Shareholder approval over the twelve 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 the 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) A summary of the terms of the Plan is set out in Annexure A.
- (b) A total of 44,870,115 equity securities have been issued under the Plan since the Company listed on the ASX, of which 17,117,497 have since been forfeited and 12,152,355 have converted into

fully paid ordinary shares. The current net balance issued under the Plan is 15,600,623 equity securities.

- (c) 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 92,430,374 equity securities. If all of these equity securities were issued and converted to Shares, this would represent 10% of the Fully Diluted Shares on issue following the completion of the Capital Raising and also completion of the Scheme Implementation Deed (**SID or Transaction**) with the Sustainable Nutrition Group Ltd (**TSN**) which was announced on 29 November 2022 Scheme being (924,303,734).
- (d) This maximum number is not intended to be a prediction of the actual number of equity securities proposed to be issued under the Plan.
- (e) A voting exclusion statement is included in the Notice.

The Directors unanimously recommend Shareholders vote in favour of this Resolution 13.

The Chair intends to vote undirected proxies in favour of Resolution 13.

Resolution 14. Approval of Leaving Entitlement to Mr Paul Benhaim

Background

As announced to ASX on 6 April 2023, Mr Paul Benhaim resigned as Non-Executive Director of the Company.

Raw With Life Pty Ltd as trustee for Benhaim Trading Trust (**Raw With Life**), an entity fully controlled by Mr Benhaim, is a party to a loan agreement with Elixinol Wellness (Byron Bay) Pty Ltd (**EBB**), a wholly-owned subsidiary of the Company, whereby Raw With Life agreed to lend \$250,000 to EBB (**Loan Agreement**). The loan was made on an unsecured basis, with no interest payable. Under the terms of the Loan Agreement, EBB undertook to repay \$125,000 of the loan in any financial year where its net profit after tax is greater than \$2,000,000. That obligation was the Company's sole repayment obligation under the Loan Agreement. To date, the Company has not made any repayment of the loan amount.

In connection with Mr Benhaim's retirement as a Director of the Company, EBB and Raw With Life have entered into a variation deed to amend the repayment terms of the Loan Agreement (**Leaving Entitlement**).

In addition, the amended Loan Agreement is intended to provide EBB more certainty regarding payment under the Loan Agreement. The Company announced that it had entered into a Scheme Implementation Deed (**SID or Transaction**) with the Sustainable Nutrition Group Ltd (**TSN**) on 29 November 2022. In light of the SID and the proposed acquisition of TSN, there is potential for the Transaction to trigger repayments under the Loan Agreement. Accordingly, to provide certainty and to ensure more favourable payment terms for EBB, the amended Loan Agreement was proposed to be entered into, noting that shareholder approval is required.

The Company considers the variation to the Loan Agreement as being an at-arms-length transaction.

The key terms of the variation deed provide (conditional on the passing of a resolution of Shareholders approving the amendments to the Loan Agreement contemplated by the variation deed) a single one-off repayment of \$8,000 the day following approval of this Resolution 14, followed by monthly repayment of \$4,000 until the loan amount of \$250,000 is repaid in full. The original terms of the Loan Agreement did not permit repayment by instalments.

The Company is seeking Shareholder approval under Resolution 14 to approve a benefit to be given to Raw With Life, an entity fully controlled by Mr Benhaim, pursuant to the amended Loan Agreement.

Shareholder approval is required under section 200E of the Corporations Act because matters under the amended Loan Agreement were not agreed before Mr Benhaim commenced as a Director of the Company, and were agreed in connection with Mr Benhaim's retirement as a Director of the Company.

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.

Where the company giving the benefit, in this case EBB, is a subsidiary of a listed domestic corporation, such shareholder approval must be given by the shareholders of EBB and the shareholders of the Company. The Company as sole shareholder of EBB has given the requisite approval.

Section 200B of the Corporations Act applies to board or managerial officers of the Company or any of its subsidiaries, which includes Non-executive Director, Mr Benhaim.

The term "benefit" has a wide operation and includes the Leaving Entitlement proposed to be paid to Mr Benhaim following his resignation as a Director.

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 Director'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 (such as 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 Leaving Entitlement do not fall within any of the categories of exception set out in the Corporations Act.

Shareholder approval is sought for the purposes of section 200E of the Corporations Act to permit EBB to pay the Leaving Entitlement in connection with Mr Benhaim's engagement as a Director of the Company. Making a payment to Mr Benhaim would involve giving a "benefit" to Mr Benhaim in connection with his ceasing to hold an executive office.

Section 200E of the Corporations Act requires that where shareholders are asked to approve a payment or other benefit to a Director that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment, which are set out above.

The Directors unanimously recommend Shareholders vote in favour of this Resolution 14.

The Chair intends to vote undirected proxies in favour of Resolution 14.

Resolution 15. 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:

- it has a market capitalisation of \$300 million or less; and
- 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 15 will be withdrawn. Accordingly, Resolution 15 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 15 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.

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing clause of quoted equity securities,

At the date of this Notice, the Company has on issue 394,957,027 fully paid ordinary shares. If Resolutions 3 and 15 are approved, the Company will have the capacity to issue:

- 59,243,554 equity securities under ASX Listing Rule 7.1; and
- 39,495,703 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.

If Shareholders approve Resolution 15, 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 15, 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:

- (a) 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 15 will cease to be valid on the earlier of either of the following events occurring:
 - (i) the time and date of the Company's next AGM;

- (ii) 31 May 2024, being the date that is 12 months after the date of the AGM at which the approval was obtained; or
 - (iii) 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).
- (b) 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:
- (i) 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
 - (ii) if the equity securities are not issued within 10 trading days of the date above, the date on which the equity securities are issued.
- (c) 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.
- (d) If Resolution 15 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 15, to the extent that such equity securities are issued, including the risk that:
- (i) 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
 - (ii) 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.
- (e) 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)	\$0.010 50% decrease in Issue Price	\$0.020 Issue Price	\$0.040 100% increase in Issue Price
394,957,027 (Current)	Shares issued	39,495,703	39,495,703	39,495,703
	Funds raised	\$394,957	\$789,914	\$1,579,828
592,435,541 (50% increase)	Shares issued	59,243,554	59,243,554	59,243,554
	Funds raised	\$592,436	\$1,184,871	\$2,369,742
789,914,054 (100% increase)	Shares issued	78,991,405	78,991,405	78,991,405
	Funds raised	\$789,914	\$1,579,828	\$3,159,656

- (c) The table has been prepared on the following assumptions:
- (i) for the purposes of variable "A" in ASX Listing Rule 7.1A.2, Shares issued on conversion of the 15,600,263, unquoted performance rights currently on issue have not been included;
 - (ii) the Company issues the maximum number of equity securities available under the 10% Placement Facility;
 - (iii) 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;
 - (iv) 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;
 - (v) 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
 - (vi) the issue price used for the table above of \$0.020 per Share is indicative only, being the closing price of the Shares on ASX on 20 April 2023.
- (d) 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 15) 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:

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

- (i) 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;
- (ii) 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;
- (iii) the financial situation and solvency of the Company and its need for working capital at any given time; and
- (iv) advice from corporate, financial and broking advisors (if applicable).

The Company previously obtained approval from its shareholders pursuant to ASX Listing Rule 7.1A at its 26 May 2022 Annual General Meeting (**Previous Approval**). As at the date of this Meeting, 31,415,593 fully paid ordinary shares have been issued pursuant to the Previous Approval, representing approximately 9.9% of the number of equity securities on issue at the commencement of that period.

The 31,415,593 shares were issued on 14 April 2023 at an issue price of \$0.018 per share as part of the Placement, the subject of the approval sought in Resolution 4.

The offer price of \$0.018 per share represents a discount of:

- (a) 25.0% to the closing price of shares on ASX on 31 March 2023 (the last day of trading prior to announcing the Placement); and
- (b) 19.2% to the volume weighted average price of shares over the five and fifteen trading day periods up to 31 March 2023.

The participants in the Placement were professional and sophisticated investors (who are not related parties of the Company) who were identified by Canaccord (as Lead Manager of the Placement) and the Company.

The total cash consideration received by the Company in connection with the issue of shares under ASX Listing Rule 7.1 is \$565,480. These funds are being used by the Company to fund the acquisition of TSN and for general working capital purposes.

Further details regarding the Placement are provided in Resolution 4.

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

Resolution 15 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 15.

The Chair intends to vote undirected proxies in favour of Resolution 15.

Resolution 16. Amendments to the Company's Constitution

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution, or a provision of its constitution, by special resolution.

Amendments to the Corporations Act effective from 1 April 2022 allow companies to hold hybrid meetings and, if expressly permitted by the company's constitution, wholly virtual meetings.

The Corporations Act emphasises that shareholders entitled to attend any meeting must be given, as a whole, a reasonable opportunity to participate in the meeting, including that the meeting is held at a reasonable time and place and that shareholders have the right to elect to ask questions and make comments both orally and in writing.

Elixinol proposes to amend its Constitution to allow for wholly virtual meetings and virtual participation at Company meetings using technology that facilitates oral and written engagement. For example, allowing shareholders to dial-in to a meeting through a telephone line and ask oral questions at the meeting, or submit written questions through a live chat function.

These amendments clarify that a general meeting may be held by Elixinol in one of three ways:

- (a) At a physical venue ('physical meeting');
- (b) At one or more physical venues using technology ('hybrid meeting', which is a physical meeting linked with online facilities to allow remote participation); or
- (c) Using virtual meeting technology only ('virtual meeting'), where all members participate via online facilities).

The provisions of the Constitution which the Company proposes to amend is set out in **Annexure B**. Alternatively, a copy of the Constitution can be obtained by contacting the Group Company Secretary at company.secretary@elixinolwellness.com.

Resolution 16 is a special resolution that requires approval of at least 75% of the votes cast by or on behalf of Shareholders entitled to vote on the resolution in order for the resolution to be passed.

The Directors unanimously recommend Shareholders vote in favour of Resolution 16.

The Chair intends to vote undirected proxies in favour of Resolution 16.

Resolution 17. Renewal of Proportional Takeover Provisions

Clause 14 of the Constitution provides that the Company must not register a transfer of shares which would give effect to a contract, resulting from the acceptance of an offer made under a proportional takeover bid unless shareholders, in a general meeting, approve the offer. Under the *Corporations Act 2001* (Cth) and clause 14.4 of the Constitution, clauses 14.1 to 14.3 (inclusive) ceases to have effect at the end of three years from when they were adopted or on the date that they were last renewed.

The proposed resolution seeks to reinstate the provision of clauses 14.1 to 14.3 (inclusive) of the Constitution for three years from the date of approval of the proposed resolution.

The Directors consider that it is in the interests of shareholders for the Company to include a proportional takeover rule and approval is therefore being sought to renew clauses 14.1 to 14.3 (inclusive) of the constitution.

What is a proportional takeover bid?

In a proportional takeover bid, the bidder offers to buy a proportion only of each shareholder's shares in the target company.

Why are the proportional takeover approval provisions required?

A proportional takeover bid means that control of a company may pass without shareholders having the chance to sell all of their shares to the bidder. In addition, this means the bidder may take control of a company without paying an adequate amount for gaining control.

In order to deal with this possibility, the *Corporations Act 2001* (Cth) permits a company, in certain circumstances to provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote at a general meeting on whether to accept or reject the offer.

The majority decision of shareholders present and voting at the meeting will be binding on all shareholders.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle, and it may ensure that any partial offer is appropriately priced.

If the offer does proceed, individual shareholders can then make a separate decision as to whether they wish to accept the bid for their shares.

What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the Directors must ensure a shareholder vote on a resolution to approve the bid at least 14 days before the last day of the bid period. The vote is decided on a simple majority.

Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote, but the bidder and its associates are not allowed to vote (and if they do vote, their votes must not be counted).

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. Any contracts formed by acceptances will be rescinded. If the bid is approved (or taken to have been approved), the transfers must be registered provided they comply with the *Corporations Act* and the Company's Constitution.

If the resolution is not voted on before the 14-day deadline specified in the *Corporations Act 2001* (Cth), the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for three (3) years from that date of their renewal pursuant to this Resolution 17. The provisions may be renewed again by a special resolution of Shareholders.

No present acquisition proposals

At the date this Notice of Meeting was prepared, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages

While the renewal of clauses 14.1 to 14.3 (inclusive) will allow the Board to ascertain Shareholders' views on a proportional takeover bid, the Directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover approval provisions for Shareholders include:

- (a) the provisions give all Shareholders (other than the offeror and its associates) an opportunity to study the terms of a proportional takeover proposal to determine whether it is in their best interests that it proceed and, on that basis, enables shareholders to decide whether or not to accept the offer;
- (b) the provisions may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- (c) the provisions may assist Shareholders in not being locked in to a minority interest in the Company;
- (d) the provisions may increase Shareholders' bargaining power and may assist in ensuring that any future proportional takeover offer is structured so as to be attractive to a majority of independent Shareholders; and
- (e) knowing the view of the majority of Shareholders may assist each individual Shareholder in assessing the likely outcome of the proportional takeover scheme bid and whether to approve or reject that bid.

The potential disadvantages for shareholders include:

- (f) proportional takeover bids for shares in the Company may be discouraged and may reduce any speculative element in the market price of the Company's shares arising from a takeover offer being made;
- (g) Shareholders may lose an opportunity of selling some of their shares at a premium;
- (h) the chance of a proportional takeover bid being successful may be reduced due to the delay, cost and uncertainty in convening a General Meeting; and
- (i) the renewal of clauses 14.1 to 14.3 (inclusive) may also be considered an additional restriction on the ability of Shareholders to deal freely with their shares.

The Board considers that the potential advantages for Shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, Shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

The Directors unanimously recommend Shareholders vote in favour of Resolution 17.

The Chair intends to vote undirected proxies in favour of Resolution 17.

Annexure A – 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"> a. an option to acquire a Share, subject to the terms relating to vesting, exercise and lapsing; or b. 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. 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>a. all unvested Performance Rights will lapse on the cessation of the person's employment; and</p> <p>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> <p>Where a Participant ceases employment in circumstances not referred to above, then unless the Board in its sole discretion determines otherwise:</p> <p>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;</p> <p>b. the balance of a Participant's unvested Performance Rights will lapse; and</p> <p>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> <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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Annexure B – Proposed changes to Constitution

5.2 Use of technology at general meetings

- (a) The Company may hold a general meeting at two or more venues using any technology that gives the shareholders as a whole a reasonable opportunity to participate.
- (b) A general meeting may be held using virtual technology only, provided the technology gives shareholders as a whole a reasonable opportunity to participate, and is permitted by law. The virtual meeting technology or other communication facilities shall constitute a venue, place or format (as applicable) for the purposes of this Constitution.
- (c) If the technology used in accordance with rule 5.2(a) encounters a technical difficulty, whether before or during the meeting, which results in a shareholder not being able to participate in the meeting, the chair may, subject to the Corporations Act and this constitution, allow the meeting to continue or may adjourn the meeting either for such reasonable period as may be required to fix the technology or to such other time and location as the chair deems appropriate.
- (d) The chair, in his or her discretion, or the directors, in their discretion, may determine that members who do not attend the meeting may participate in the meeting using technology and may require the adoption of any procedures which are in his or her, or their, opinion necessary or desirable for proper and orderly debate or discussion (if such participation is permitted).

5.3 Notice of general meetings

- (a) Subject to this constitution and to the rights or restrictions attached to any shares or class of shares, notice of a general meeting must be given within the time limits prescribed by the Corporations Act and in the manner authorised by rule 13.1 to each person who is at the date of the notice:
 - I. a member;
 - II. a director; or
 - III. an auditor of the Company,and, while the Company is a Listed Company, notice must be given to the Exchange within the time limits prescribed by the Listing Rules.
- (b) In calculating the period of notice, both the day on which notice is given or taken to be given and the day of the meeting convened by it are to be disregarded.
- (c) A notice of a general meeting must specify the date, time, place and format of the meeting. If the meeting is to be held in two or more places, or using virtual technology only, the notice must specify the technology that will be used to facilitate the general meeting; and, except as provided in rule 5.3(d) state the general nature of the business to be transacted at the meeting and any other matters required under the Corporations Act.
- (d) It is not necessary for a notice of an annual general meeting to state that the business to be transacted at the meeting includes the consideration of the annual financial report and the reports of the directors and auditor, the election of directors or the appointment or fixing of the remuneration of the auditor of the Company.
- (e) A person may waive notice of any general meeting by notice in writing to the Company.
- (f) The non-receipt of notice of a general meeting or proxy form by, or a failure to give notice of a general meeting or a proxy form to, any person entitled to receive notice of a general meeting under this rule 5.3 does not invalidate any act, matter or thing done or resolution passed at the general meeting if:

- (i) the non-receipt or failure occurred by accident or error; or
 - (ii) before or after the meeting, the person:
 - a. has waived or waives notice of that meeting under rule 5.3(e); or
 - b. has notified or notifies the Company of the person's agreement to that act, matter, thing or resolution by notice in writing to the Company.
 - (g) A person's attendance at a general meeting:
 - (i) waives any objection that person may have to a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and
 - (ii) waives any objection that person may have to the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting or in rule 5.3(d), unless the person objects to considering the matter when it is presented.
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13. Notices

13.1 Notices by the Company to members

A notice may be given by the Company to a member:

- (i) by serving it personally at, or by sending it by post in a prepaid envelope to, the member's address as shown in the register of members or any other address, or by fax or electronic mail to such fax number or electronic address as the member has supplied to the Company for the giving of notices or as authorised by the Corporations Act. The Company will give notices personally or by sending by post to any person who has made a request for hard copy documents only in accordance with the Corporations Act; or
- (ii) if the member does not have a registered address and has not supplied another address to the Company for the giving of notices, by exhibiting it at the registered office of the Company.

Schedule 1 – Terms of Issue of Options

The Options to be issued under the Prospectus pursuant to the Capital Raising entitle the holder to subscribe for Shares on the following terms and conditions.

- (a) The Options are exercisable at a price of 2 cents (\$0.02) each at any time from the date of issue of the Options up to the date that is two years after their issue (inclusive) (Option Exercise Period), but not thereafter.
- (b) Each Option entitles the holder to subscribe for one fully paid ordinary share (Share).
- (c) No amount is payable on issue of the Options.
- (d) The Company must give each Option holder a holding statement or confirmation stating:
 - (i) the number of Options issued to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options and the Option Expiry Period.
- (e) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act 2001 (Cth).
- (f) The Options will be transferrable, subject to approval of the transfer by the Board. For such time as the Company is listed, the Listing Rules of the ASX will apply to the Options.
- (g) The Options will not be quoted on ASX.
- (h) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options rank equally with other issued Shares from the date they are issued by the Company.
- (i) An Option holder is not entitled to participate in any new issue of securities to existing Shareholders unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (j) If the Company is listed on ASX, the Company must give an Option holder, if required by the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph (j); and
 - (ii) the right to exercise the Option holder's Options under paragraph (j).
- (k) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules.
- (l) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements

to the issue, the Company may elect to reduce the exercise price of each Option in accordance with the Listing Rules.

- (m) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each Option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (n) Any calculations or adjustments which are required to be made under these Option Terms of Issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (o) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs (l) to (n) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of an Option.
- (p) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options form (to be provided by the Company or share registry), together with payment of the exercise monies payable to the Company in connection with the Options being exercised (being \$0.02 per Option).
- (q) The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 200,000, unless the Option holder exercises all of its Options.
- (r) If an Option holder exercises less than the total number of its Options, the Company must issue the Option holder a new holding statement for the remaining number of Options held by the Option holder.
- (s) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraphs (q) and (r). The Company shall within 5 business days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a shareholder statement to the holder.
- (t) The Company will apply to ASX for official quotation of the Shares issued on exercise of the Options.
- (u) If required by the Listing Rules, the Company will advise holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.
- (v) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of New South Wales. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.