

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Elixinol Wellness Limited

ABN/ARBN

34 621 479 794

Financial year ended:

31 December 2023

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 12 March 2024 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 12 March 2024

Name of authorised officer authorising  
lodgement: Josephine Lorenz

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Board Charter at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	-
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	-
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	-
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	-

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement.</p> <p>We have disclosed a copy of our Diversity Policy at:  <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p> <p>As stated in section 4.2 of our Diversity Policy, given the current size of the Group's operations and number of employees, the Board has determined at this stage not to formally adopt Measurable Objectives. The Board will reassess this as the Group's operations grow.</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:  page 5 of our Corporate Governance Statement and section 14 of our Board Charter.</p> <p>Performance evaluations were undertaken for the reporting period in accordance with that process as set out at:  page 5 of our Corporate Governance Statement.</p>	

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>page 5 of our Corporate Governance Statement and section 2.1(b) of our Board Charter.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>page 5 of our Corporate Governance Statement.</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<input checked="" type="checkbox"/> set out in page 7 of our Corporate Governance Statement.
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<input checked="" type="checkbox"/> We have disclosed the names of the directors considered by the board to be independent directors at page 6 of our Corporate Governance Statement.  The information referred to in paragraph (b) is N/A  The length of service of each director is detailed at page 6 of our Corporate Governance Statement.
		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.  Regarding the information referred to in paragraph (a)(1), this recommendation is not currently complied with, following changes to the size and composition of the remuneration and Nomination Committee in September 2023.  Regarding the information required to in paragraph (a)(2), the Company has complied with this recommendation throughout the reporting period.  Regarding the information referred to in paragraph (a)(3), we have disclosed a copy of the Remuneration and Nomination Committee Charter of the Committee at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>  We have disclosed information pertaining to the information referred to in paragraph (a)(4) and (a)(5) in our Annual Report at page 12: <a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a>  The information referred to in paragraph (b) is N/A.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement.  During the period, the Company's Board composition and size changed, resulting in 33.3% of the Company's Board being made up of independent directors as at the reporting date.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> And we have articulated and disclosed our values and guiding principles at: page 7 of our Corporate Governance Statement.	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> We have disclosed our Code of Conduct policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our Whistleblower Policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	

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3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our Anti-Bribery and Corruption Policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p>	

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>		
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>Regarding the information referred to in paragraph (a)(1), this recommendation has not been followed for part of the period following changes made in September 2023 to the size and composition of the Audit and Risk Committee.</p> <p>Regarding the information referred to in paragraph (a)(2), this recommendation has been followed for the whole of the period.</p> <p>Regarding the information referred to in paragraph (a)(3), we have disclosed a copy of the Audit and Risk Committee Charter of the Committee at:  <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p> <p>We have disclosed information pertaining to the information referred to in paragraph (a)(4) and (a)(5) in our Annual Report at page 12:  <a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a></p> <p>The information referred to in paragraph (b) is N/A.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<input checked="" type="checkbox"/>	
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<input checked="" type="checkbox"/>	

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> We have disclosed our Continuous Disclosure Policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 6 – ENGAGE WITH SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Shareholder Communications Policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	

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6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>Regarding the information referred to in paragraph (a)(1) and (a)(2), these recommendations were followed for part of the period however they are no longer complied with following changes made in September 2023 to the size and composition of the Audit and Risk Committee.</p> <p>Regarding the information referred to in paragraph (a)(3), we have disclosed a copy of the Audit and Risk Committee Charter of the Committee at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p> <p>We have disclosed information pertaining to the information referred to in paragraph (a)(4) and (a)(5) in our Annual Report at page 12: <a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a></p> <p>The information referred to in paragraph (b) is N/A.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>We have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p>	

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>We have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement at page 16:  <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p>	
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement at:  <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>  and in our Annual Report at pages 5-7:  <a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a>  and, if we do, how we manage or intend to manage those risks in our Annual Report at pages 5-7:  <a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a></p>	

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> We have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Annual Report at pages 13-23:</p> <p><a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a></p>
		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement.</p> <p>Regarding the information referred to in paragraph (a)(1), this recommendation is not currently complied with, following changes to the size and composition of the remuneration and Nomination Committee in September 2023.</p> <p>Regarding the information required to in paragraph (a)(2), the Company has complied with this recommendation throughout the reporting period.</p> <p>Regarding the information referred to in paragraph (a)(3), we have disclosed a copy of the Remuneration and Nomination Committee Charter of the Committee at:</p> <p><a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a></p> <p>We have disclosed information pertaining to the information referred to in paragraph (a)(4) and (a)(5) in our Annual Report at pages 12:</p> <p><a href="https://www.elixinolwellness.com/site/investor/annual-and-financial-reports">https://www.elixinolwellness.com/site/investor/annual-and-financial-reports</a></p> <p>The information referred to in paragraph (b) is N/A.</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> We have disclosed our policy on this issue or a summary of it in our Securities Trading Policy at: <a href="https://www.elixinolwellness.com/site/About-Us/corporate-governance">https://www.elixinolwellness.com/site/About-Us/corporate-governance</a>	
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



# 2023 Corporate Governance Statement

12 March 2024

The Board of Directors of Elixinol Wellness Limited (the “**Company**”, “**EXL**”, “**Elixinol Wellness**” or “**Group**”) is committed to achieving and maintaining the highest standards of corporate governance. The Board recognises the importance of having proper and effective corporate governance arrangements and communicating its approach to corporate governance to shareholders and the broader investment community to instill investor confidence in the Company.

The Board is responsible for setting the Group’s strategic direction, ensuring good governance and oversight, and instilling a culture that considers and fairly balances the needs of all stakeholders.

As part of its commitment to creating shareholder value, the Board and all levels of management are committed to continuously improving our governance practices in line with the needs of our business, aligning accountability and strong risk management across the business.

The Company’s governance policies and practices have been largely consistent with the 4th edition of ASX Corporate Governance Council’s Principles and Recommendations (**ASX Governance Principles**) throughout the year. These policies and practices are reflected in this Corporate Governance Statement and Appendix 4G. The Board considers that the application of a small number of ASX Governance Principles are not appropriate at this time for the reasons set out in this Corporate Governance Statement.

We regularly review our governance practices in light of the Company’s position and emerging corporate governance developments. Our governance framework ensures accountability, both of the Board and senior executives, to the Company and its shareholders.

This Corporate Governance Statement was approved by the Company’s Board on 12 March 2024 and describes the corporate governance practices of the Company as at that date and for the reporting period to 31 December 2023.

## **THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

### ***Board responsibilities and delegations***

The Company’s Constitution states that the Company’s business and affairs are to be managed under the Board’s direction and the Board is ultimately responsible for the sound and prudent management of the Group.

The Board is appointed by and represents shareholders, the owners of Elixinol Wellness. It is accountable to shareholders for creating and delivering sustainable value through effective governance of the Elixinol Wellness Ltd Group. All Directors must contribute to the Board’s collective decision-making process having regard to the skills and experience that each Director brings to the Board.

As at the date of this Corporate Governance Statement, the Board comprises three Directors, of which two are Non-Executive Directors. The Board also notes that the Chair is an independent Non-Executive Director. The Board intends to strive to achieve a structure and composition of the Board that comprises a majority of independent Directors and that the Chair remains an independent Director.

Details of each of Director (and the Board Committee members) are located on the Elixinol Wellness website at: [www.elixinolwellness.com/site/About-Us/board-of-directors](http://www.elixinolwellness.com/site/About-Us/board-of-directors).

The Board has adopted a formal Board Charter which, among other matters, provides a framework for the effective operation of the Board and sets out the:

- the Board’s role and responsibilities;
- the establishment of Committees (described below); and
- the authority delegated by the Board to the Group Chief Executive Officer & Managing Director (**Group CEO & MD**) and to the Committees.

The Board’s role includes providing leadership and guiding the Group’s strategic direction, driving its performance, and overseeing the activities of management and the operation of the Company. A key part of the Board’s responsibilities is to implement and oversee an effective corporate governance structure for the Group.

The Board Charter specifies the role of the Chair, the Board composition, and the responsibilities of Directors. It also provides that the Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the Company Secretary,

The Board Charter also allocates the decision-making authority within the Group and sets out the matters reserved for Board decision. The Board delegates to the Group CEO & MD authority and power to manage the Group's business on a day-to-day basis, subject to the limits imposed by the Board. In turn, in collating documents for the Company's Annual Report, the Group CEO & MD, may delegate aspects of his authority to Senior Executives but remains accountable to the Board for the authority that is delegated and for the performance of the Company, with the expectation that the Group CEO & MD works in a constructive partnership with the Board. The Board monitors the decisions and actions of the Group CEO & MD, the performance of the Company and assesses its risk profile with the assistance of each of its Committees.

The Board Charter also describes the Group CEO & MD's role and responsibilities.

The Board Charter is located on the Elixinol Wellness website at:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Board Charter was last reviewed in March 2024.

### **Board Committees**

The Board has established the following Committees to assist it in discharging its functions:

- Remuneration and Nomination Committee (**RNC**); and
- Audit and Risk Committee (**ARC**).

Each of these Committees operate in accordance with specific Charters approved by the Board which can be found on the Elixinol Wellness website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The applicable composition requirements as stated in the Committee Charters and current membership of each of the Committees is described in detail below.

### **Board meetings and attendance**

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to EXL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. The Company has disclosed the number of times the Board, the RNC and the ARC met throughout the reporting period on page 12 of the Annual Report. Senior Executives attend Board and Committee meetings by invitation.

### **Access to information and independent professional advice**

Management is required to report regularly to the Board in a spirit of openness on the progress of the Group. Directors are entitled to request additional information at any time they consider appropriate. An open dialogue between individual Directors and the Group CEO & MD and Senior Executives is encouraged.

The Board collectively, and each Director individually, has the right to seek independent professional advice, at the Company's expense.

### **Director and Executive Agreements**

The Company has entered into written agreements with Mr David Fenlon and Ms Pauline Gately. Each agreement sets out the terms of their appointment as Non-Executive Directors.

The Company has entered into executive employment agreements with each of the senior executive management team including the Company's Group CEO & MD, Mr Ronald (Ron) Dufficy.

All Directors and Executives are required to comply with all of the Group's corporate policies including the Code of Conduct, Conflict of Interest Policy, Compliance Policy, Anti-Bribery and Corruption Policy and the Securities Trading Policy.

### **Diversity and Inclusion**

Elixinol Wellness values a strong and diverse workforce and is committed to establishing, maintaining, and promoting a corporate culture that embraces diversity and inclusion.

The Company seeks to create a work environment where people are free to achieve their best, without encountering prejudice regarding their gender, age, ethnicity or cultural background, disability or impairment, religious belief or activity, marital status, or lawful sexual activity. The Company will not tolerate any form of unlawful discrimination, harassment, vilification, or victimisation of an employee who raises concerns or provides information about such conduct.

The Company also acknowledges the need for its employees to combine and balance their career and family obligations and recognises the importance of caring for family members. The Company will, to the extent practicable, adopt flexible work practices that will assist employees to meet their domestic responsibilities.

The Board fully supports all kinds of diversity; however, the Board did not set measurable objectives against which the Group will report on an annual basis. Given the current size of the Group's operations and number of employees, the Board has determined at this stage not to adopt such measurable objectives or set targets at this time. Notwithstanding this, the Board and management are mindful of considered diversity within its recruitment practices.

The Company has adopted a Diversity Policy, a copy of which is available on the Elixinol Wellness website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The RNC is responsible for reviewing the Diversity Policy.

The Diversity Policy was last reviewed in March 2024.

The Company's Diversity Policy includes gender diversity. As such, female representation at EXL is set out in the following table:

<b>Gender Diversity</b>	<b>Current**</b>	<b>2022*</b>
Board of Directors	33%	25%
Executive Leadership Team**	50%	67%
Management	50%	43%
Elixinol Wellness (entire organisation)	44%	47%

\* As reported in the 2022 Corporate Governance Statement.

\*\* Senior Executives includes the Executive Key Management Personnel of the Company as outlined in the Remuneration Report for FY2023.

Aside from the Diversity Policy set out above, the Company has not established measurable objectives for gender diversity in the workforce.

The Company respects the benefits arising from workplace diversity to broaden perspective, improve performance and increase shareholder value. The Company aims to promote an environment conducive to the appointment of diverse well-qualified employees, senior managers, and directors to maximise the achievement of corporate goals.

### **Performance review of the Board**

The Board is committed to enhancing its effectiveness through ongoing reviews. The Board's Charter provides that

the Board will evaluate, at least annually, the performance of the Board, each Board Committee, and each Director. The responsibilities of the RNC include assisting the Board with these performance evaluations. The Board undertook a number of formal and informal performance evaluations in respect of the Board and the Board Committees throughout the reporting period.

### ***Performance Review of the Executive Leadership Team***

At the start of each financial year, key performance indicators (**KPI**) for the Executive Leadership Team (**ELT**) are reviewed and recommended to the Board by the RNC. At the end of the year, the RNC assessed the ELT's performance against KPIs. These assessments are reviewed and reported to the Board by the RNC.

In respect of FY23, a performance evaluation of the ELT was conducted during 2023. KPI performance for the ELT is described in the Remuneration Report contained in the Annual Report, located on the Elixinol Wellness website at: <https://www.elixinolwellness.com/site/investor/annual-and-financial-reports>

## **THE BOARD IS STRUCTURED TO BE EFFECTIVE AND ADD VALUE**

### ***Remuneration and Nomination Committee***

The Company has a Remuneration and Nomination Committee (**RNC**) which is a Committee of the Board. The proceedings and meetings of the RNC are governed by the provisions of the Constitution and the RNC Charter.

The Committee currently comprises two members, made up of:

- Independent Non-Executive Director, Board Chair and RNC Committee Chair, Mr David Fenlon;
- Non-Executive Director and ARC Committee Chair, Ms Pauline Gately

The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by ensuring that the Board is comprised of individuals who are best able to discharge their responsibilities as Directors, having regard to the law and the highest standards of governance.

The members of the Committee during the 2023 year, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings are included in the 2023 Directors' Report section of the Annual Report located on the Elixinol Wellness website at:

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

The RNC Charter sets out the role and responsibilities of the RNC and the Charter is located on Elixinol Wellness website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The RNC Charter was last reviewed in December 2022.

### ***Board composition and Director selection/appointment/induction process***

The Board believes orderly succession and renewal will be achieved as a result of careful planning. Accordingly, the Board reviews its composition and assesses nominations for new appointments from time to time to ensure the right balance of skills and expertise. During 2023 there were a number of changes to the composition of the Board. Details of each Director are included in the 2023 Directors' Report section of the Annual Report.

The Board is currently comprised of one independent Non-Executive Director, one Non-executive Director and one Executive Director. While the composition of the current Board does not result in a majority of independent Directors which the Board is ultimately striving for, the Board believes that the current composition reflects an appropriate mix of experience and ability to represent shareholders. The Board is comprised of Directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds that is appropriate to the Company and its current growth strategy.

When appointing new Directors, the Board, in discharging its nominations-related responsibilities, evaluates the balance of skills, knowledge and experience on the Board as well as the terms served by existing Non-Executive Directors. In light of this evaluation, the Board determines the role and capabilities required for the appointment.

At commencement of a Director selection process, the Board undertakes appropriate checks on potential candidates to consider his or her suitability to fill a casual vacancy on the Board or for election as a Director. Prior to any

appointment, candidates are required to provide the Chair with details of other commitments and an indication of time involved, and to acknowledge that he or she has adequate time to fulfil his or her responsibilities as a Non-Executive Director of Elixinol Wellness. These checks were undertaken prior to the appointment of each director. The Company has also entered into a written agreement with each Director (and Senior Executive) setting out the key terms, conditions, and responsibilities of their position.

As part of a mutual due diligence process between the Board and a potential candidate, the potential Director is provided with a suite of documents (being a combination of public and private materials), subject to strict confidentiality arrangements.

Once appointed, new Directors undergo an induction program during which they meet the ELT and are given a full briefing on the Group's operations, its strategies, the nature of its various businesses, its financial position and performance and its operational and risk management.

Directors appointed to fill a casual vacancy hold office until the end of the Company's next annual general meeting (**AGM**), where they can seek election by shareholders. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules. On recommendation from the RNC, the notice of AGM contains all material information about candidates so that shareholders can make an informed decision on whether or not to elect or re-elect a Director.

Non-Executive Directors are expected to inform the Chair of any proposed appointment to the Board or executive of another company as soon as practicable.

All Directors are encouraged to undergo regular professional development and where practicable, specific educational sessions are scheduled for Board and Committee meetings.

## **EXL BOARD OF DIRECTORS**

The Company's Board currently has three Directors, of which two are Non-Executive Directors. The Board considers the current size is appropriate to discharge its duties effectively and to support its growth and strategy, noting the Board continues to review and consider its size, composition and balance of skills and expertise in light of the changing nature and evolution of the business and the ASX Governance Principles.

The criteria by which the Board determines the independence of a Director are set out in the Board Charter. Of the current Directors, Mr David Fenlon, Chair of the Board, is currently considered to be independent, as set out in the table below.

The Company Secretary maintains the Register of Directors' Interests. Each Director must immediately disclose to the Board and Company Secretary if a Director is, or becomes aware of, any information, facts or circumstances that will or may affect that Director's independence.

As at the date of this Corporate Governance Statement, the Board comprises:

<b>Director</b>	<b>Independent Status</b>	<b>Appointment Date</b>
David Fenlon (Chair)	Independent Non-Executive Director	28 March 2022
Pauline Gately	Non-Executive Director	17 August 2023
Ronald Dufficy	Executive Director	6 April 2023

## BOARD SKILLS MATRIX

The skills, experience and expertise of individual Directors are detailed in the Company's 2023 Annual Report.

The Board is comprised of highly experienced business leaders who each meet the fundamental requirements necessary to govern an ASX listed company. In addition, the Board considers that each Director demonstrates the following personal attributes:

- the time to undertake the responsibilities of the role;
- honesty and integrity;
- an ability to apply strategic thought to relevant matters;
- the ability to exercise sound business judgment and to deal with complex issues; and
- a preparedness to question, challenge, and critique.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilises a skills matrix which is reviewed by the Board on a regular basis to ensure it has the skills needed to address existing and emerging business needs and governance matters relevant to the Company.

The Remuneration and Nomination Committee is responsible for implementing plans for identifying, assessing, and enhancing Director competencies.

Following changes to the composition of the Board during 2023, the Board recently completed a formal Board Skills Matrix and assessment, and considered its mix of skills and experience.

## THE BOARD INSTILLS A CULTURE OF ACTING LAWFULLY ETHICALLY AND RESPONSIBLY

### **Statement of Values**

At Elixinol Wellness our values are the foundation for how we achieve our business objectives and express the beliefs and principles we agree to share. The Company's core values are aligned with and support good governance practices and a compliance culture.

The Board and the Group's senior executives are committed to acting lawfully, ethically, and responsibly at all times and to creating a culture within the Group that promotes ethical and responsible behaviour.

The Company's values are supported by a Code of Conduct. This Code of Conduct sets out the core 'values-based' behaviours expected from all directors, officers, employees, contractors, consultants, and other persons that act on behalf of the Group and its associates (**Personnel**).

The Company's core values, and guiding principles are also reflected in the Company's Compliance Policy and other key governance principles and policies, which have been approved by the Board. These core values are articulated and discussed widely throughout the Group and guide our behaviour and commitment to the Company's customers, communities, and each other.

### **Code of Conduct**

Elixinol Wellness is committed to acting ethically and responsibly.

As the stewards of the Group's corporate governance framework, the Board recognises the need to observe a high standard of corporate practice and business conduct. Accordingly, the Board has adopted the Code of Conduct, which sets out the basic principles and standards of lawful and ethical behaviour expected of all people representing the Company.

The Code of Conduct sets out the Group's approach to conducting business responsibly and ethically. The Code of Conduct also sets out the core 'values-based' behaviours expected from all Personnel and the basic behaviours from those of whom the Group does business, including suppliers, distributors customers and others who may act on the Company's behalf. All Personnel are expected at all times to comply with all applicable laws at all times. In addition, all Personnel are expected to conduct the Company's operations with high legal, moral, and ethical standards in all their dealings and to uphold its reputation.

Material incidents reported under the Code of Conduct are reported to the Board.

The Code of Conduct is located on the Elixinol Wellness website at:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Code of Conduct was last reviewed in October 2022.

### ***Compliance Policy***

The Company introduced a Compliance Policy in April 2020 to provide an overarching framework for facilitating the compliance culture of the Group. The objective of the Compliance Policy is to emphasise the importance of a compliance culture for the Company's staff, customers, suppliers, and other stakeholders, and to protect and enhance the reputation of the Group.

The Company recognises that compliance obligations should be fully understood by all those participating in the business and that education and training are fundamental to aid this understanding. Any breach of the Compliance

Policy is treated seriously, and the Audit & Risk Committee and Board is responsible for reviewing and overseeing the implementation of the Company's Compliance Policy and the compliance systems described in the policy.

The Compliance Policy is located on the Elixinol Wellness website at:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Compliance Policy was last reviewed in October 2022.

### ***Conflicts of Interest***

The Company adopted a Conflicts of Interest Policy in April 2020 to ensure that conflicts of interest or perceived conflicts of interest are managed appropriately in order to protect the integrity of the Company and manage risk. If a potential conflict of interest arises, the director concerned is excluded from all discussions and decision making on the matter. At all times, directors are required to keep the Company Secretary informed of all relevant interests and must advise the Board immediately of any interests that could possibly conflict with the Company.

The Conflicts of Interest Policy is located on the Elixinol Wellness website at:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Conflicts of Interest Policy was last reviewed in October 2022.

### ***Whistleblower Policy***

In keeping with the spirit of the Code of Conduct and consistent with the ASX Governance Principles, the Company has a Whistleblower Policy. The Company values teamwork, respect and integrity and wishes to encourage a culture where any officer, employee or contractor does not suffer because of speaking up about potential misconduct concerns. The Whistleblower Policy was implemented to provide a safe and confidential environment for people to raise any such concerns without fear of reprisal.

Material incidents reported under the Whistleblower Policy are reported to the Board.

As part of the Company's continuous drive to achieve high standards of corporate governance and in the interests of its ongoing commitment to fostering a culture of integrity and compliance, the Company has also engaged professional Whistleblower service provider, Lighthouse, as a contact for ethical and compliance disclosures, in addition to the Whistleblower Officer and senior management. Based in the USA, Lighthouse provides worldwide 24-hour anonymous reporting services and demonstrates the Company's leadership commitment to its whistleblower program.

The Whistleblower Policy is located on the Elixinol Wellness website at:  
<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Whistleblower Policy was last reviewed in October 2022.

## ***Anti-Bribery and Corruption Policy***

The Group has zero tolerance for bribery and corruption. The Company has an Anti-Bribery and Corruption (**ABC**) Policy which sets out the behaviours expected from employees in line with this commitment. EXL is committed to conducting its business activities in an ethical, lawful, and socially responsible manner and is committed to preventing, detecting, and deterring bribery and corruption by managing its bribery and corruption risk in accordance with the laws and regulations of the countries in which the Group operates.

Under the ABC Policy, the Company expects that its officers, employees, agents, contractors, subsidiaries and third parties acting for or on behalf of the Company will comply with all applicable ABC laws and will not offer, provide, authorise, request, or receive a bribe or anything which may be viewed as a bribe.

Material incidents reported under the ABC Policy are reported to the Board.

The ABC Policy is located on the Elixinol Wellness website at:

<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The ABC Policy was last reviewed in October 2022.

## ***Securities Trading Policy***

The Company's Securities Trading Policy governs trading in EXL securities by Restricted Persons as defined in the Policy (including Directors, the Company Secretary, and direct reports to the Group Chief Executive Officer) and their associated parties (**Restricted Persons**).

Restricted Persons must not trade, arrange for someone else to trade, or pass on information to someone they know or ought reasonably to know, that may use the information to trade (or procure another person to trade) EXL shares when they are in possession of price sensitive information relation to the Company which is not generally available to the market.

To avoid any adverse inference of unfair dealing, Restricted Persons must not deal in EXL's securities during a closed period. The closed periods are:

- the period between the end of the Group's financial year, being 31 December and 24 hours following the release of the Group's full year financial results;
- the period between the end of the Group's half year, being 30 June and 24 hours following the release of the Group's half year financial results;
- the duration of an offer period for an offer of securities made under a prospectus or cleansing statement; and
- any other period as advised to the Group by the Board.

If a Restricted Person wishes to trade in EXL securities during a closed period, the Securities Trading Policy provides that exceptional circumstances must be shown, and prior written approval must be obtained from the Company Secretary.

The Securities Trading Policy is located on the Elixinol Wellness website at:

<https://www.elixinolwellness.com/site/About-Us/corporate-governance>

The Securities Trading Policy was last reviewed in December 2022.

## **THE BOARD SAFEGUARDS THE INTEGRITY OF CORPORATE REPORTING**

The Company is committed to a transparent system to verify the integrity of its corporate reports.

### ***Audit and Risk Committee***

The Company has an Audit and Risk Committee (**ARC**), which is a Committee of the Board. The proceedings and meetings of the ARC are governed by the Company's Constitution and ARC Charter.

The Committee comprises two members, made up of:

- Non-Executive Director and Committee Chair, Ms Pauline Gately; and
- Independent Non-Executive Director, Mr David Fenlon.

All members of the Committee are financially literate and have a deep understanding of the industry in which EXL operates to be able to discharge the Committee's mandate effectively. Non-Executive Director, Ms Pauline Gately, has extensive accounting, tax and financial expertise and is considered the best placed to Chair the Committee.

The members of the Committee during the 2023 year, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings are included in the 2023 Directors' Report section of the Annual Report located on EXL's website at:

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

The ARC Charter sets out the role and responsibilities of the ARC and the Charter is located on the Elixinol Wellness website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The ARC Charter was last reviewed in December 2022.

The purpose of the ARC is to:

- oversee, review, and supervise the Group's risk management framework and promote a risk management culture;
- assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal controls relating to all matters affecting the Company's financial performance and the audit process;
- make recommendations to the Board in relation to the Group's insurance program; and
- oversight of the Company's compliance with laws and regulations.

The responsibilities of the ARC in relation to external audit include:

- establishing procedures for the selection, appointment, and removal of the external auditor and for the rotation of external audit engagement partners;
- reviewing the external auditor's proposed audit scope and approach;
- meeting with the external auditor to review audit reports and at least once a year, meeting to discuss any matters that the ARC or auditor believe should be discussed privately without Management present;
- establishing policies as appropriate in regard to the independence, integrity, and performance of the external auditor;
- reviewing the independence of the external auditor and the appropriateness of any non-audit services provided by them to the Group; and
- reviewing the performance of the external auditor and the external audit fees paid.

External auditors attend the ARC meetings and are asked to attend the Annual General Meeting and be prepared to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

The external auditor must be independent of the Company. The ARC reviews and assesses the independence of the external auditor on an annual basis.

The ARC may obtain information from, and consult with, management, the external auditor, and external advisers, as it considers appropriate. The ARC also has access to the external auditor to discuss matters without management being present.

### ***Group Chief Executive Officer & Managing Director and Group Chief Financial Officer Declarations***

Prior to Board approval of the Company's financial statements for a financial period, the Board receives from the Group Chief Executive Officer and the Group Chief Financial Officer a declaration that, in their opinion, the financial records of the Company have been properly maintained, that the financial statements comply with the appropriate

accounting standards and give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ended 31 December 2023, the Group CEO & MD and the Group Chief Financial Officer made a declaration in accordance with section 295A of *the Corporations Act 2001* (Cth) (**Corporations Act**) and as recommended by Recommendation 4.2 of ASX Governance Principles. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half-year ending 30 June 2023.

### **Verification of periodic corporate reports**

For periodic corporate reports released to the market which are not required to be audited or reviewed by the external auditor, the Company has an internal verification and approval process to support the integrity of the information that is being disclosed. The specific process for each periodic corporate report will vary depending on the particular release but will generally involve:

- (a) the individuals with responsibility for the information confirming to the best of their knowledge and belief that the information is considered to be accurate and not misleading;
- (b) the review of the report or document by relevant internal subject matter experts (and in some cases the Company's external advisers);
- (c) the review by and confirmation from the individual responsible for the corporate report that it is appropriate for release; and
- (d) periodic corporate reports released to the market may also, depending upon the report, be required to be approved by the Board under the Company's Continuous Disclosure Policy.

## **THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE**

Elixinol Wellness established policies to ensure that disclosure of all material matters concerning the Company occurs in a timely, honest, and balanced manner, and to ensure that all investors have equal access to material information including its position, performance, ownership, and governance.

The Company is listed on the ASX and must comply with Listing Rule 3.1 (Continuous Disclosure).

Executives are made aware of the requirements and a separate Board agenda item covering the requirement of continuous disclosure is discussed at every Board meeting.

The Board approves market announcements before they have been made and receives all material market announcements promptly after they have been made.

Before new and substantive investor(s) or analyst presentation are provided with information about the Company, a copy of all presentation material is released to the market. Once relevant information is disclosed to the market and available to investors, it may also be published on EXL's website. This includes but is not limited to investor discussion packs, presentations on, and explanations about financial results.

The Company's website information also includes Annual Reports, results announcements, speeches, and support material given at investor conferences or presentations, notices of meetings and key media releases.

The Company's Continuous Disclosure Policy ensures compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the Corporations Act and ASX Listing Rules and is located on EXL's website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The Continuous Disclosure Policy was last reviewed in December 2022.

## **THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS**

A key part of the Company's approach to governance involves encouraging shareholders' views to be heard and understood. It is important for all shareholders to access information and have facilities available to enable them as

owners of the Company to exercise their rights, and in doing so shareholders are encouraged to make their views known to us.

The Company has adopted a Securityholder Communications Policy which is located on EXL's website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The Securityholder Communications Policy was last reviewed in March 2024.

### ***Elixinol Wellness website***

The Company's website at <https://www.elixinolwellness.com> is kept current to maintain effective communication with shareholders and stakeholders. Information available on the Company's website includes pertinent information about the Company's operations, Director and Senior Executive profiles, copies of all key governance documentation and key shareholder information such as access to the Company's Investor Centre, announcements, archived investor presentations and current share price information.

All ASX announcements made by the Company can also be accessed from the 'Announcements' section of the ASX website at [www.asx.com.au/asx/statistics/announcements](http://www.asx.com.au/asx/statistics/announcements) using the Company ASX ticker code: EXL.

### ***Investor relations***

Relationships with investors are important to Elixinol Wellness. Following the Company's release of its half-year and annual financial statements, the Company conducts investor briefings and investor roadshows with institutional groups and analysts.

Our annual general meeting (**AGM**) is convened once a year, usually in May. The 2023 AGM was held as a hybrid meeting with shareholders able to attend in person or online. Following shareholder approval of an updated constitution at the 2023 AGM, the Company's 2024 AGM is currently scheduled to be a virtual meeting in May 2024. Each of the Directors and the ELT will engage in two-way communications with investors and proxy advisers in advance of the AGM, as appropriate.

### ***Shareholder communications***

Shareholders may elect to receive all communications from EXL's share registry electronically. Electronic communications have the added advantage of being timelier and more cost effective, which benefits all EXL owners and is encouraged by the Company.

Shareholders should contact EXL's share registry, Automic Pty Limited (**Automic Group**), if they wish to elect to receive electronic communications by emailing Automic Group through the following link: <https://www.elixinolwellness.com/site/investor/shareholder-services> or by emailing [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au).

### ***Shareholder engagement and participation***

The Company strongly encourages shareholder engagement and participation at its general meetings. The Company's goal is to increase investor engagement and encourage investor participation.

Shareholders who attend a general meeting of the Company will also be able to ask questions and participate in voting.

Shareholders who are unable to attend a general meeting are encouraged to vote on the proposed motions by appointing a proxy. In addition, shareholders have the opportunity to submit written questions to the Company and its independent external auditor, make comments on the management of the Company, and access presentations and speeches made by the Chair and Group CEO & MD prior to the commencement of the meeting.

The Company will conduct all substantive resolutions considered at General Meetings of shareholders by poll.

The Company publishes the results of all general meetings to the ASX and on the Company's website following the conclusion of the relevant meeting.

## **THE BOARD RECOGNISES AND MANAGES RISK**

### ***Risk Management***

Elixinol Wellness is committed to identifying, managing, and monitoring material risks (financial and non-financial) associated with its business activities.

The Board recognises that a sound risk management culture is fundamental to effective risk management practices across the business. The Board, leadership team, policies and frameworks instil and promote a culture which values the Company's principles of integrity, respect, leadership, social responsibility, and a passion for natural health - values that are reflected in the Code of Conduct and filtered through all operations.

These elements are key to embedding effective risk management and awareness, and to support appropriate behaviours and judgments about risk taking within the parameters and risk appetite set by the Board. To oversee this, the Board has appointed the Audit and Risk Committee (**ARC**).

The ARC assists the Board in overseeing and reviewing the integrity of financial reporting, the effectiveness of the risk management framework compliance systems and internal control framework, and the external and internal audit functions to ensure that they continue to remain sound and appropriate.

The Board requires management to design, implement and review the risk management and internal control systems to manage the Company's material business risks and report to it on whether those risks are being managed effectively. Ongoing risk management is a core competency of management. The Company's ability to identify and address risk is central to achieving our corporate objectives.

The Company is committed to maintaining a sound system of risk oversight and management and internal control to identify, assess, monitor, and manage material risks related to its operations.

In its function as a risk committee, the ARC assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of the Company's risk management framework and internal control systems. Details about the ARC are set out above.

The ARC's primary role with respect to risk management is to:

- in consultation with management, prepare a risk profile which describes the material business risks facing the Group, regularly review and update the risk profile, at least annually;
- review and report to the Board (at least annually) on the effectiveness of the Group's internal controls regarding, due diligence for acquisitions and other new projects, compliance with confidentiality obligations and information technology security;
- review and report to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing, and monitoring material business risks;
- obtain regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures or incidents and report to the Board on those matters;
- review the Group's insurance program having regard to Company's business and the insurable risks associated with its business and inform the Board regarding the same;
- review the scope of the external auditors' review of internal control and risk management, review reports on significant findings and recommendations, together with management's responses; and
- recommend to the Board any changes to the Company's internal control and risk management framework from time to time as appropriate.

In addition to the ARC, the Remuneration and Nomination Committee (**RNC**) assists the Board in fulfilling its risk-related corporate governance responsibilities, with respect to specific risks within each Committee's realm. Further information is contained in each Committee's charter located on EXL's website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The Risk Management Policy sets out the requirements, roles, and responsibilities for managing risks across EXL which is documented in the Risk Management Framework. Through the ARC, management reported to the Board on the effectiveness of the management of the material risks faced by the Company during FY23. At the Company's December 2023 Board meeting, the Board, at the ARC's recommendation, endorsed the Company's revised Risk Management Policy and Risk Management Framework and confirmed it is satisfied that it continues to be sound.

## **Internal audit**

Due to the Company's current size, the Company does not have an internal audit function. The ARC evaluates the effectiveness of the Company's risk management and internal control processes and seeks third-party reviews and input for specific areas of control.

## **Environment, Social and Governance (ESG)**

Sustainability and responsible business practices are important to the creation of value for our employees, customers, suppliers, and shareholders, as well as the community and environment at large.

The Elixinol Wellness Board, its Committees and management seek to manage and respond to the Company's operating environment, including any exposure to economic, environmental, and social sustainability risks. We also focus on what is most material for our business and where we can make a meaningful difference.

Companies such as Elixinol Wellness have a unique opportunity to establish sustainability strategies, procedures, and processes from the ground up to better meet growing global environmental, social and governance (**ESG**) demands as the industry matures. Climate change, packaging and agricultural practices represent some of the most significant risks related to the environment for companies in the global transition to a low carbon economy. Social risks also present challenges for the sector so it is important that the industry focuses on, for example, quality control and product safety, consumer education and investing in research to build reputable scientific evidence identifying the benefits and risks related to its products and investing and engaging with communities to build positive relationships where its businesses operate. These are important activities Elixinol Wellness believes companies in the sector must support and promote to help maintain the industry's social license to operate.

The Company is committed to sustainability and to acting in a responsible manner to promote employee well-being, minimise our impact on the environment, educate consumers and give back to the wider community. The Company's ethos is to build partnerships with employees, clients, investors, suppliers, and communities based on mutual respect, trust, and fairness.

ASX Governance Principles define 'material exposure' as a 'real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for securityholders over the short, medium or long term.'

Material business risks are described in the Operating and Financial Review of the Annual Report, but in summary, the key risks are as follows:

- agricultural and climate change risk;
- supplier arrangements;
- changes to laws or regulations; and
- risk of adverse events, product liability or other safety issues.

Full details about the above risks and how the Company manages these risks are set out in the 2023 Annual Report.

## **Other risks**

The Company faces certain other business risks, notably those related to:

- political and regulatory environment;
- ability to attract and retain key personnel;
- integration of acquired business and execution of new acquisitions; and
- systems, security, and data privacy.

The Company's Operating and Financial Review provides details about our pro-active management of these risks in its 2023 Annual Report located on the Elixinol Wellness website at:

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

## **THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY**

The Company's approach to remuneration is to align its policies and practices to sustainable shareholder value creation.

### ***Remuneration and Nomination Committee (RNC)***

The purpose of the RNC is to assist the Board with various matters including the following:

- establishment of a human resources strategy and supporting policies and practices for the Group's employees and Directors, and monitoring the implementation and effectiveness of the strategy, policies, and practices;
- establishment of remuneration policies and practices for the Group's employees and Directors and monitoring the implementation and effectiveness of the policies and practices.
- identifying and nominating candidates to fill Board vacancies;
- reviewing succession plans for Directors and Senior Executives;
- advising the Board on governance standards and appropriate corporate governance policies for the Group;
- critically reviewing the Group's performance against its corporate governance policies; and
- supporting and advising the Board to fulfil its obligations in relation to safety and sustainability.

### ***Remuneration policies and practices***

Details about the Company's remuneration strategy, framework, policies, and practices are set out in the Remuneration Report which clearly distinguishes the structure of Non-Executive Directors' remuneration from Executive Key Management Personnel (**KMP**).

The Group's Remuneration Report is available in the 2023 Annual Report, located on the Elixinol Wellness website at: <https://www.elixinolwellness.com/site/investor/annual-and-financial-reports>.

### ***Policy on hedging equity-based incentive schemes***

The Company's Securities Trading Policy prohibits those employees who participate in any employee or executive incentive plans from hedging the value of restricted shares and unvested securities granted under such plans. Breaches of this prohibition result in awards being forfeited by the relevant employee.

The Company's Securities Trading Policy is located on EXL's website at: <https://www.elixinolwellness.com/site/About-Us/corporate-governance>.

The Securities Trading Policy was last reviewed in December 2022.