

Chief Executive Officer Terms of Appointment

23 April 2021 - AusCann Group Holdings Limited (ASX: AC8) ('AusCann' or 'the Company'), is pleased to provide the material terms of the Company's employment contract with Mr Layton Mills, Chief Executive Officer, for the purposes of ASX Listing Rule 3.16.4.

The material terms of Mr Mills' employment contract are included below:

Commencement date	18 March 2021
Term	Unless terminated earlier in accordance with the agreement, the contract will end on the third anniversary of the commencement date being 18 March 2024.
Remuneration	Fixed remuneration of \$275,000 per annum, inclusive of any salary packaging opportunities, but exclusive of superannuation. The Company will pay superannuation to satisfy the Company's obligations under the Commonwealth Government's superannuation legislation up to the maximum superannuation contribution base.
Incentives – STI	A discretionary short-term incentive will be offered at the commencement of each financial year for the full year in accordance with the Company's policy, based on agreed KPIs and Company milestones set and agreed on an annual basis from 1 July to 30 June each year. Successful achievement of the agreed KPIs and milestones may result in the payment of an annual incentive up to \$25,000.
Incentives - LTI	The Company will offer at no cost four equal tranches of 500,000 performance rights each under the AusCann Employee Securities Incentive Plan approved by shareholders on 17 November 2018 to Mr Mills which will vest subject to achievement of the following goals: Tranche 1: the share price achieving a minimum of 30 cents for 30 consecutive days; Tranche 2: the share price achieving a minimum of 50 cents for 30 consecutive days; Tranche 3: the share price achieving a minimum of 75 cents for 30 consecutive days; and Tranche 4: the share price achieving minimum of \$1.00 for 30 consecutive days. On vesting, fully paid ordinary shares will be issued within 12 months of vesting subject to Mr Mills being employed by the Company at that time or the Company releasing this obligation at the time of issuing the shares. Following issue, 50% of the shares will be held in escrow for a further 12 months. In the event of a takeover and change of control, the share price hurdles will be deemed to have been achieved if the takeover

	consideration meets the minimum share price hurdle.
Notice period	Subject to the terms of Mr Mills' employment agreement, either party may terminate the employment with 6 months' written notice. The Company may terminate the employment without notice in certain circumstances.

Mr Mills (or his nominee) currently owns 12,200,082 fully paid ordinary shares in AusCann.

Mr Max Johnston, the AusCann Chair, said "This is a significant appointment for the Company and we welcome Layton and look forward to benefitting from his diverse suite of skills. Layton's strong combination of technical, commercial and operational expertise and experience will be a substantial contributor to the ongoing success and growth of AusCann. Retaining someone of Layton's experience and skills reinforces the potential of the Company moving forward."

ENDS

This ASX announcement was authorised for release by the Board of AusCann.

For more information, please contact:

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