



ASX Announcement 30 June 2020

2020 Annual General Meeting

Elixinol Global Limited (**Elixinol Global** or the **Company**) (**ASX:EXL; OTC:ELLXF**) is pleased to announce that it will be hosting its 2020 Annual General Meeting via live webcast at 10.30am (Sydney Time) on Thursday, 30 July 2020.

The Notice of Meeting, Explanatory Notes and Proxy Form have been mailed to shareholders today. Copies of these documents follow this announcement. The Notice of Meeting is also available on the Elixinol Global website.

The 2019 Annual Report has also been mailed today to shareholders who have elected to receive a printed copy. A copy of the Annual Report was lodged with the ASX on 30 March 2020 and is available on the Elixinol Global website.

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

For more information please contact:

Ron Dufficy
Chief Financial Officer
ron.dufficy@elixinolglobal.com

About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTC:ELLXF) is a global leader in the hemp derived CBD industry, innovating, manufacturing and selling hemp derived CBD products. The Company's simplified business model is focusing on:

- In the Americas, innovating, manufacturing and selling high quality Elixinol branded hemp derived CBD products based in Colorado, USA
- In Europe & UK, educating and selling high quality Elixinol branded and co-branded hemp derived CBD products based in Amsterdam, The Netherlands
- In Australia, providing stronger unified planning and support across the group to enable the various regional offices to focus on operational strategy and execution through its Global Executive Office based in Sydney, Australia
- Across the Rest of World, expanding distribution of Elixinol branded hemp derived CBD products through reputable distributors as key markets open.

See more at www.elixinolglobal.com



Elixinol Global Limited
ACN 621 479 794

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (Sydney time) Tuesday, 28 July 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Elixinol Global Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Elixinol Global Limited to be held as a virtual meeting and via webcast on Thursday, 30 July 2020 at 10.30am (Sydney time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 4, 5, 6, and 7 (except where I/we have indicated a different voting intention in step 2) even though Items 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 4, 5, 6 and 7 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1. Election of Director – Mr Oliver Horn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan Ms Helen Wiseman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – Ms Helen Wiseman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director - Mr Paul Benhaim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of potential Termination Benefit for Mr Oliver Horn pursuant to his Employment Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval of Leaving Entitlement for Mr Andrew Duff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan pursuant to Mr Oliver Horn's Employment Agreement - Mr Oliver Horn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of Leaving Entitlement for Mr Greg Ellery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan Mr Oliver Horn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





30 June 2020

Dear Shareholder,

On behalf of the Directors of Elixinol Global Limited (**Elixinol**), I am pleased to invite you to attend the 2020 Annual General Meeting (**AGM**) of Elixinol. Enclosed is the Notice of Meeting setting out the business of the AGM.

Elixinol's 2020 AGM will be held on Thursday, 30 July 2020 commencing at 10.30am (Sydney time) as a virtual meeting and via webcast. The virtual meeting will include an online voting facility as well as a facility for shareholders to ask questions in relation to the business of the meeting.

Shareholders who elect to attend and vote at the online virtual meeting can do so via the virtual meeting platform at <https://web.lumiagm.com/per> the details set out in this Notice of Meeting.

In addition, Shareholders can vote their Shares prior to the Meeting by lodging the proxy form attached to the Notice by no later than 10.30am (AEST) on Tuesday, 28 July 2020.

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

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

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Paul Benhaim', written in a cursive style.

Paul Benhaim
Chairman

Elixinol Global Limited
ABN 34 621 479 794

NOTICE OF ANNUAL GENERAL MEETING

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

Date: Thursday, 30 July 2020

Time: 10.30am (Sydney time)

Venue: Online at <https://web.lumiagm.com/349-394-234>

In light of the current limitations on public gatherings due to the novel coronavirus (COVID-19) pandemic, the AGM will be held as a virtual meeting. Accordingly, the Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform, where shareholders will be able to watch, listen, submit written questions and vote online. Please refer to the user guide on our website at: <https://www.elixinolglobal.com/site/investor/investor-centre-home>.

Attendance via online platform

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://web.lumiagm.com/349-394-234> into a web browser on your computer, online device or download the Lumi AGM app:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Proxy Form;
- Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide; and
- Proxyholders will need to obtain a username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the meeting.

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

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

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 31 December 2019 (the **Reports**).

All shareholders can view the Annual Report which contains the Financial Report for the year ended 31 December 2019 on the Company's website at www.elixinolglobal.com/site/investor/investor-centre-home.

B. QUESTIONS AND COMMENTS

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

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

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

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

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

Shareholders who prefer to register questions in advance of the AGM are invited to do so. Please email any questions to the Company Secretary (company.secretary@elixinolglobal.com) or please complete the enclosed shareholder question form and return to Computershare. To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (AEST) Thursday, 16 July 2020.

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

C. ITEMS FOR APPROVAL

Resolution 1. Election of Director – Mr Oliver Horn

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

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

Resolution 2. 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 having been appointed by the Board of the Company since the last annual general meeting, retires in accordance with clause 6.1(e) of the Company’s Constitution and being eligible, offers herself for election as a Director of the Company.”

Resolution 3. Re-election of Director – Mr Paul Benhaim

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

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

Resolution 4. Remuneration Report

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

“That the Company’s Remuneration Report for the financial year ended 31 December 2019, as set out in the Directors’ Report, is adopted.”

The Remuneration Report is contained in the 2019 Annual Report (available at www.elixinolglobal.com/site/investor/investor-centre-home). Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 5. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan pursuant to Mr Oliver Horn’s Employment Agreement - Mr Oliver Horn

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 937,500 Performance Share Rights to Mr Oliver Horn under the Elixinol Global Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 6. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan Mr Oliver Horn

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 361,722 Performance Share Rights to Mr Oliver Horn under the Elixinol Global Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 7. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan Ms Helen Wiseman

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 62,271 Performance Share Rights to Ms Helen Wiseman under the Elixinol Global Equity Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

Resolution 8. Appointment of Auditor

To consider and if thought fit, pass the following resolution, as an ordinary resolution.

“Provided that the Australian Securities & Investments Commission (ASIC) has provided its consent for the current auditor to resign as auditor of the Company as at the date of the Meeting, to appoint BDO Audit Pty Ltd having consented in writing and been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001 (Cth), as Auditor of the Company.”

Resolution 9. Approval of potential Termination Benefit for Mr Oliver Horn pursuant to his Employment Agreement

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

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

Resolution 10. Approval of Leaving Entitlement for Mr Andrew Duff

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

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

Resolution 11. Approval of Leaving Entitlement for Mr Greg Ellery

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

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

Resolution 12. 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 shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of Elixinol (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.”

At the time of despatching this Notice, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2.

VOTING EXCLUSION STATEMENTS

Resolution 4. Remuneration Report

A vote on Resolution 4 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2019 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

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

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the *Corporations Act 2001* (Cth).

Resolutions 5 & 6. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan to Mr Oliver Horn

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolutions 5 and 6 by or on behalf of:

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

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolutions 5 and 6 by or on behalf of a person who is referred to in rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the employee incentive scheme in question.

However, this does not apply to a vote cast in favour of Resolutions 5 and 6 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolutions 5 and 6, in accordance with the directions given to the proxy or attorney to vote on Resolutions 5 and 6 in

that way; or

- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolutions 5 and 6, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or
- c. a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolutions 5 and 6; and
 - ii. the holder votes on Resolutions 5 and 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250R(4) of the Corporations Act, a vote on Resolutions 5 and 6 must not be cast (in any capacity) by or on behalf of Mr Oliver Horn or a Closely Related Party of Mr Oliver Horn.

In addition, in accordance with section 250BD(1) of the Corporations Act, a vote on Resolutions 5 and 6 by or on behalf of a member of the KMP or Closely Related Party of a member of the KMP as a proxy unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 7. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan to Ms Helen Wiseman

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

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

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

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

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

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 7 must not be cast (in any capacity) by or on behalf of Ms Helen Wiseman or a Closely Related Party of Ms Helen Wiseman.

In addition, in accordance with section 250BD(1) of the Corporations Act, a vote on Resolution 7 by or on behalf of a member of the KMP or Closely Related Party of a member of the KMP as a proxy unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 9. Approval of Potential Termination Benefit for Mr Oliver Horn pursuant to his Employment Agreement

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

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

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

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with the directions given to the proxy or attorney to vote on Resolution 9 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 9; and
 - ii. the holder votes on Resolution 9 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 10. Approval of Leaving Entitlement for Mr Andrew Duff

A vote on Resolution 10 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. Mr Andrew Duff; or
- b. an associate of Mr Andrew Duff.

However, this does not apply to a vote cast in favour of Resolution 10 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 10, in accordance with the directions given to the proxy or attorney to vote on Resolution 10 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 10, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a

beneficiary provided the following conditions are met:

- i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 10; and
- ii. the holder votes on Resolution 10 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 11. Approval of Leaving Entitlement for Mr Greg Ellery

A vote on Resolution 11 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. Mr Greg Ellery; or
- b. an associate of Mr Greg Ellery.

However, this does not apply to a vote cast in favour of Resolution 11 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 11, in accordance with the directions given to the proxy or attorney to vote on Resolution 11 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 11, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 11; and
 - ii. the holder votes on Resolution 11 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 12. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 12 by or on behalf of:

- a. any person who may participate in the 10% placement facility, or who will obtain a material benefit as a result of the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company; or
- b. an associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 12 by:

- a. a person as proxy or attorney for a person who is entitled to vote on Resolution 12, in accordance with the directions given to the proxy or attorney to vote on Resolution 12 in that way; or
- b. the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 12, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or

- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 12; and
 - ii. the holder votes on Resolution 12 in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Teresa Cleary
General Counsel and Company Secretary
30 June 2020

ALL RESOLUTIONS BY POLL

In accordance with the Company's constitution, the Chairman intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll, rather than a show of hands. The Chairman 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 Wednesday, 29 July 2020 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 10.30am (Sydney time) on Tuesday, 28 July 2020. Proxies must be received before that time by one of the following methods:

Online:

www.investorvote.com.au

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

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

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am (Sydney time) on Tuesday, 28 July 2020 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 www.computershare.com.au.

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolution 4 then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

ENCLOSURES

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Elixinol's share registry's website at www.computershare.com.au to ensure the timely and cost-effective receipt of your proxy;
- an AGM Question Form to be completed if you would like a specific question to be addressed by the Chairman or Deloitte (our external auditor) at the AGM; and
- a reply-paid envelope for you to return either or both the proxy form and AGM Question Form.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Thursday, 30 July 2020.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that 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 Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1 - 3, and 5 - 11 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. Resolution 4, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. Resolution 12 is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Resolution 1. Election of Director – Mr Oliver Horn

Mr Oliver Horn was appointed as an Executive Director of the Company on 6 April 2020 and as Group Chief Executive Officer on 21 April 2020. In accordance with clause 6.1(e) of the Constitution, Mr Oliver Horn retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company. By virtue of his Executive role within the Company Mr Oliver Horn is not considered an independent Director.

As the former CEO of Swisse Wellness, Mr Horn has extensive global and leadership experience in the wellness industry having operated across all global markets Elixinol Global currently has a presence in. He brings deep commercial, marketing and category experience with him. Mr Horn is a seasoned sales & marketing leader having started his CPG career with L'Oreal in the U.K. before moving to Treasury Wine Estates where he held numerous global leadership positions. Mr Horn also brings with him a solid grounding in corporate finance having started his career at Deutsche Bank in Germany.

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

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

Resolution 2. 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(e) of the Constitution, Ms Helen Wiseman retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company. Ms Helen Wiseman is considered an independent Director.

Ms Wiseman is a Non-Executive Director and audit committee specialist with 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.

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

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

Resolution 3. Re-Election of Director – Mr Paul Benhaim

Mr Paul Benhaim is a founding Director of the Company. In accordance with clause 6.1(f)(i) of the Constitution, Mr Benhaim retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company. By virtue of his previous Executive role within the Company in the past three years, Mr Paul Benhaim is not considered an independent Director.

Mr Benhaim has over 25 years' experience in the hemp industry and is co-founder of Elixinol US and Hemp Foods Australia.

Mr Benhaim is considered an expert in the industrial hemp industry and frequently presents at industry conferences globally. He has also played a role in shaping regulation around cannabis laws.

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

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

Resolution 4. 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 and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

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

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

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

Resolutions 5. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan to Mr Oliver Horn pursuant to his Employment Agreement

Mr Oliver Horn commenced his Executive Director role as Group Chief Executive Officer on 21 April 2020 (**Commencement Date**).

The Company proposes to grant 937,500 Performance Share Rights under the terms of his employment agreement (refer to Annexure A) and the Elixinol Global Limited Equity Plan (the **Plan**).

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

The Board believes that in order to attract executives of the calibre needed to deliver on the Company’s strategy, part of the remuneration offered should include equity interests in the Company. The proposed grant to Oliver Horn forms part of the remuneration offered under his employment agreement when he commenced the role of Group Chief Executive Officer on 21 April 2020.

Why is shareholder approval being sought?

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

If shareholder approval is obtained under ASX Listing Rule 10.14, shareholder approval is not required under ASX Listing Rule 7.1, and the issue of such Performance Share Rights to Oliver Horn will not count towards the Company’s capacity to issue equity securities under Listing Rule 7.1.

Accordingly, approval is sought for the issue of 937,500 Performance Share rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

If Resolution 5 is not passed the Company will not be able to proceed with the issue of Performance Share Rights under the Plan and the Company will make the equivalent of a cash payment to Mr Oliver Horn.

The Company has determined that the proposed grant of Performance Share Rights under the Plan pursuant to Resolution 5 as part of Oliver Horn’s remuneration package will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Key terms of the Performance Share Rights grant to Oliver Horn:

<p>Details of the Grants</p>	<p>937,500 Performance Share Rights.</p> <p>Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.</p>
<p>Price payable on Grant or Exercise</p>	<p>No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights.</p>
<p>Vesting of Performance Share Rights</p>	<p>The Performance Share Rights will vest in two equal tranches as follows:</p> <ul style="list-style-type: none"> (a) Six (6) months from the grant date; and (b) Eighteen (18) months from the Commencement Date.
<p>Performance Period</p>	<p>From the Commencement Date to:</p> <ul style="list-style-type: none"> (a) Six (6) months from the grant date; and (b) Eighteen (18) months from the Commencement Date.

<p>Date of Grant</p>	<p>30 July 2020 subject to shareholder approval.</p>
<p>Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised</p>	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules.</p> <p>The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p> <ul style="list-style-type: none"> • Oliver Horn must continue to be employed by the Elixinol group at the time of the Performance Share Rights vesting dates.
<p>Cessation of employment</p>	<p>If Oliver Horn ceases employment with the Company prior to the vesting of Performance Share Rights, the treatment will depend on the circumstances of cessation.</p> <p>Where Oliver Horn ceases employment in the event of resignation, or dismissal or other circumstances in which the Board determines the following treatment is warranted:</p> <ol style="list-style-type: none"> a. all unvested Performance Share Rights will lapse on the cessation of his employment; or b. all vested Performance Share Rights will not lapse and in the case of an Exercisable Share Right will remain exercisable for 60 days, unless the Board determines otherwise. <p>Where Oliver Horn ceases employment in the event of death, Disability, bona fide redundancy, Genuine retirement or other reason (with the exception of resignation or Dismissal), then unless the Board, in its sole discretion, determines otherwise:</p> <ol style="list-style-type: none"> a. a Pro Rata number of Oliver Horn's unvested Performance Share Rights will not vest or lapse as a result of the ceasing to be an employee of the Group, and these Rules and the relevant Terms of the Share Right (including any Conditions) continue to apply, except that any continuous service requirement will be deemed to be waived; b. the balance of the unvested Performance Share Rights will lapse; and c. any Performance Share Right which has vested (and in the case of an Exercisable Share Right not been exercised at the time of cessation of employment of the Group) will not lapse (and in the case of an Exercisable Share Right will remain exercisable for the Cessation Period, as defined in the Plan Rules). <p>However, the Board has discretion to apply a different treatment to that outlined above if it deems it appropriate in the circumstances,</p>

	including allowing Oliver Horn to retain Performance Share Rights which would otherwise lapse on the cessation of their employment.
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 Oliver Horn's unvested Performance Share Rights vest having regard to all relevant circumstances, including whether performance is in line with the Conditions over the period from the date of grant of the Performance Share Rights to the date of the Control or Takeover Event.

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 name of the person – Oliver Horn or his nominee;
- 10.15.2 Which category in rules 10.14.1-10.14.5 the person falls within and why – Oliver Horn is a Director and is therefore a related party under 10.14.1.
- 10.15.3 The maximum number of securities to be issued or the formula for calculating the number of securities to be issued to the person – 937,500;
- 10.15.4 Please refer to Annexure A of this Explanatory Memorandum.
- 10.15.5 No securities have previously been issued to Oliver Horn under the Plan.
- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.
- The Performance Share Rights are being issued to incentivise Mr Horn to deliver the Company's growth strategy and drive financial performance in the interests of shareholders. The Board is satisfied that Mr Horn's remuneration arrangements are competitive relative to ASX market and industry peers.
- The value that the Company attributes to the Performance Share Rights being issued is \$173,438 and is calculated using the five (5) day Volume Weighted Average Price (**VWAP**) prior to 25 June 2020.
- 10.15.7 The Performance Share Rights will be issued to Oliver Horn on or around 30 July 2020 subject to shareholder approval. The Performance Share Rights will be issued no later than one (1) month after the date of the Meeting.
- 10.15.8 The Performance Share Rights will be issued to Mr Oliver Horn (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum.
- 10.15.10 No loan will be provided to Mr Oliver Horn in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement - See Section 2 of Voting and Attendance Information.

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

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

Resolutions 6. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan to Mr Oliver Horn

Mr Oliver Horn commenced as Executive Director with the Company on 6 April 2020 and as Group Chief Executive Officer on 21 April 2020 (**Commencement Date**).

The Company proposes to grant 361,722 Performance Share Rights to Mr Oliver Horn as part of a long term incentive under the terms of the Elixinol Global Limited Equity Plan (the **Plan**) in respect of the financial year commencing 1 January 2020 subject to shareholder approval.

Details of the Plan are presented in this Explanatory Memorandum.

The proposed grant to Oliver Horn forms part of the Company’s overall remuneration framework which is designed to support and reinforce its business strategy. Linking remuneration to the drivers that support the business strategy ensures that remuneration outcomes for senior executives and Directors are aligned with the creation of sustainable value for Shareholders.

The Company’s executive remuneration framework includes three key elements:

- a. Fixed remuneration - to provide a fair and equitable fixed salary, which accurately reflects the skills and responsibilities of the role and the experience of the individual fulfilling the position;
- b. Short-term incentive - to encourage and reward for individual outperformance against annual key performance indicators during the financial year; and
- c. Long-term incentive - to drive long-term sustainable growth and facilitate alignment between the senior executive team and the long-term interests of Shareholders.

Why is shareholder approval being sought?

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

If shareholder approval is obtained under ASX Listing Rule 10.14, shareholder approval is not required under ASX Listing Rule 7.1, and the issue of such Performance Share Rights to Oliver Horn will not count towards the Company’s capacity to issue equity securities under Listing Rule 7.1.

Accordingly, approval is sought for the proposed grants to Oliver Horn of 361,722 Performance Share Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

If Resolution 6 is not passed, the Company will not proceed with the issue of Performance Share Rights under the Plan to Mr Horn and will not provide an alternative incentive.

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

Key terms of the Performance Share Rights grant to Oliver Horn:

Details of the Grants	<p>361,722 Performance Share Rights.</p> <p>Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.</p>
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<p>Price payable on Grant or Exercise</p>	<p>No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights. There are therefore no funds being raised as a result of the proposed grant for the purpose of the disclosure required by Listing Rule 10.15.3 concerning the intended use of the funds raised.</p>
<p>Vesting of Performance Share Rights</p>	<p>The Performance Share Rights will vest on 28 February 2023.</p>
<p>Performance Period</p>	<p>1 January 2020 to 31 December 2022.</p>
<p>Date of Grant</p>	<p>30 July 2020 subject to shareholder approval.</p>
<p>Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised</p>	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules. The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p> <ul style="list-style-type: none"> • Satisfaction of absolute total shareholder return (TSR) performance hurdles for the relevant Vesting Period (TSR Performance Share Rights); and • Oliver Horn must continue to be employed by the Elixinol group when the audited financial statements are released to the ASX following the performance period.

Total Shareholder Return – Performance Condition	<p>The proportion of TSR Performance Share Rights that will vest will be determined by reference to the absolute TSR of the Company during the relevant Performance Period, in accordance with the following vesting schedule:</p>	
	Company’s TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting
	Below 10%	0% of the TSR Performance Share Rights will vest
	Greater than 10% but less than the 20%	40% of the TSR Performance Share Rights will vest
	Equal to or greater than the 20%	100% of the TSR Performance Share Rights will vest
<p>The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the five (5) days before the Performance Share Rights, 31 December 2019 which was \$0.546.</p> <p>TSR Performance Share Rights that do not vest on the relevant vesting date will lapse.</p>		

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

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

- 10.15.1 The name of the person – Oliver Horn or his nominee.
- 10.15.2 Which category in rules 10.14.1-10.14.5 the person falls within and why –Oliver Horn is a director and is therefore a related party under 10.14.1
- 10.15.3 The maximum number of securities to be issued or the formula for calculating the number of securities to be issued to the person – 361,722
- 10.15.4 Please refer to Annexure A of this Explanatory Memorandum.
- 10.15.5 No securities that have previously been issued to Oliver Horn under the Plan.
- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.

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

The value that the Company attributes to the Performance Share Rights being issued is \$33,285 and is calculated using the Monte Carlo method.

- 10.15.7 The Performance Share Rights will be issued to Oliver Horn on or around 30 July 2020 subject to shareholder approval. The Performance Share Rights will be issued no later than one (1) month after the date of the Meeting.

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

- 10.15.8 The Performance Share Rights will be issued to Oliver Horn (and/or his nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum.
- 10.15.10 No loan will be provided to Oliver Horn in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

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

10.15.12 A voting exclusion statement - See Section 2 of Voting and Attendance Information.

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

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

Resolution 7. Issue of Performance Share Rights under the Elixinol Global Limited Equity Plan to Ms Helen Wiseman

Helen Wiseman commenced her new Non-Executive Director role on 21 April 2020. In connection with Helen Wiseman's remuneration as a Non-Executive Director, the Company proposes to grant a total of 62,271 Performance Share Rights to Ms Helen Wiseman on 30 July 2020 under the terms of the Elixinol Global Limited Equity Plan (the **Plan**), subject to shareholder approval (**proposed grant**).

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

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

Why is shareholder approval being sought?

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

If shareholder approval is obtained under ASX Listing Rule 10.14, shareholder approval is not required under ASX Listing Rule 7.1, and the issue of such Performance Share Rights to Helen Wiseman will not count towards the Company's capacity to issue equity securities under Listing Rule 7.1.

Accordingly, approval is sought for the proposed grant to Helen Wiseman of 62,271 Performance Share Rights under the Plan. For the purposes of Listing Rule 10.15, the key terms are detailed below. This proposed grant is conditional on receiving shareholder approval.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Performance Share Rights under the Plan to Ms Wiseman and will not provide her an alternative incentive.

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

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

Details of the Grant	The proposed grant to Helen Wiseman is 62,271 Performance Share Rights. Each Performance Share Right is a conditional right to acquire one Share, subject to the satisfaction of the Vesting Conditions set out below.
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Price payable on Grant or Exercise	No amount will be payable to the Company in respect of the issue or exercise of new Performance Share Rights. There are therefore no funds being raised as a result of the proposed grant for the purpose of the disclosure required by Listing Rule 10.15.3 concerning the intended use of the funds raised.
Vesting of Performance Share Rights	In respect of New Share Rights, the Performance Share Rights will vest on 28 February 2024.
Performance Period	1 January 2020 to 31 December 2023.
Date of Grant	30 July 2020 subject to shareholder approval.
Vesting Conditions which must be satisfied (or waived) before Performance Share Rights vest and can be exercised	<p>Performance Share Rights which have not lapsed will vest and become exercisable on the date on which any Vesting Conditions applicable to the Performance Share Rights have been satisfied (or waived by the Board) or the date on which the Performance Share Rights otherwise vest in accordance with the Plan Rules.</p> <p>The Performance Share Rights are subject to the following Vesting Conditions, which are independent and will be tested separately:</p> <ul style="list-style-type: none"> • Satisfaction of absolute total shareholder return (TSR) performance hurdles for the relevant Vesting Period (TSR Performance Share Rights); and • Helen Wiseman must continue to be a Director of the Elixinol group when the audited financial statements are released to the ASX following the performance period.

Total Shareholder Return – Performance Condition	The proportion of TSR Performance Share Rights that will vest will be determined by reference to the absolute TSR of the Company during the relevant Performance Period, in accordance with the following vesting schedule:	
	Company’s TSR over the relevant Vesting Period	Percentage of TSR Performance Share Rights Vesting
	Below 20%	0% of the TSR Performance Share Rights will vest
	Greater than 20% but less than the 35%	40% of the TSR Performance Share Rights will vest
	Equal to or greater than the 35%	100% of the TSR Performance Share Rights will vest
The share price baseline for the TSR calculation will be equivalent to the volume weighted average market price of the Shares over the five (5) days before the Performance Share Rights are deemed to be granted on 1 January 2020, which was \$0.546.		
TSR Performance Share Rights that do not vest on the relevant vesting date will lapse.		

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

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

- 10.15.1 The name of the person – Helen Wiseman or her nominee.
- 10.15.2 Which category in rules 10.14.1-10.14.5 the person falls within and why – Helen Wiseman is a Director and is therefore a related party under 10.14.1.
- 10.15.3 The maximum number of securities to be issued or the formula for calculating the number of securities to be issued to the person – 62,271.
- 10.15.4 Helen Wiseman is paid a Director’s fee of \$85,000 per annum.
- 10.15.5 No securities have previously been issued to Helen Wiseman under the Plan.
- 10.15.6 A summary of the material terms of the Performance Share Rights are included above in this Explanatory memorandum.
- The Performance Share Rights are being issued to further encourage and facilitate share ownership for Non-Executive Directors and as a means for enhancing the alignment of interests between Non-Executive Directors and shareholders generally.
- The value that the Company attributes to the Performance Share Rights being issued is \$6,604 and is calculated using the Monte Carlo method.
- 10.15.7 The Performance Share Rights will be issued to Helen Wiseman on or around 30 July 2020 subject to shareholder approval. The Performance Share Rights will be issued no later than one (1) month after the date of the Meeting.
- In the future, it is proposed that grants of Performance Rights or Options under the Plan will be made annually, following announcement of the Company’s full-year financial results. The Board will have discretion to make grants at other times. The Plan Rules provide the Board with flexibility in relation to annual offers. Any future issues under the Plan to a Director will only be made if shareholder approval is received.
- 10.15.8 The Performance Share Rights will be issued to Helen Wiseman (and/or her nominee) for nil cash consideration and no cash consideration will be payable upon the conversion of the Performance Share Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or conversion of the Performance Rights.
- 10.15.9 A summary of the material terms of the Plan are included above in this Explanatory memorandum.
- 10.15.10 No loan will be provided to Helen Wiseman in relation to the Performance Share Rights to be issued under the Plan.
- 10.15.11 Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- 10.15.12 A voting exclusion statement - See Section 2 of Voting and Attendance Information.

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

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

Resolution 8. Appointment of Auditor

Following a competitive tender of external audit services, the Company has selected BDO Audit Pty Ltd (**BDO**) as the proposed new auditor of the Company.

The proposed transition of auditor occurred as part of a review of the Company's corporate administration costs. BDO has local services available to support the audit of our US subsidiary and this would realise efficiency and cost savings. BDO was selected after considering proposals received from Deloitte and a number of other audit firms. BDO is a firm of Chartered Accountants with offices internationally.

The Company's current auditor, Deloitte Touche Tohmatsu Limited (**Deloitte**) has advised the Company that it has applied to the Australian Securities and Investments Commission (**ASIC**) for consent to resign as auditor of the Company with effect from the close of the Meeting. The consent of ASIC is required under the Corporations Act for Deloitte to resign as auditor. If ASIC does not grant its consent to the resignation, Deloitte will continue to hold office of the Company's auditor.

The Corporations Act requires the Company to obtain the approval of Shareholders for the appointment of BDO as auditor of the Company.

In accordance with the Corporations Act, the Company has sought and obtained a nomination from a shareholder for BDO to be appointed as the Company's auditor.¹ A copy of this nomination is attached to this Explanatory Statement at Annexure B. BDO has consented to the appointment and, as at the date of the Notice, has not withdrawn its consent.

Subject to the consent of ASIC being received and the approval of Shareholders being obtained, the appointment of BDO as auditor of the Company will be effective from the date of the Meeting.

The Board supports the appointment of BDO as the Company's auditor and recommends that shareholders vote in favour of Resolution 8.

Resolution 9. Approval of potential termination benefits to Oliver Horn

Background

Oliver Horn commenced employment with the Company as CEO on 21 April 2020. On 27 April 2020 the Company announced the material terms of the Chief Executive Officer's (**CEO**) employment agreement with the Company (**Employment Agreement**).

The Company is seeking Shareholder approval under Resolution 9 to approve certain potential payments payable to Oliver Horn on termination of his employment with the Company. Resolution 9 is of an administrative nature and is in relation to the Employment Agreement which, as noted above, was announced on 27 April 2020. Shareholder approval is required under the Corporations Act because certain technical matters under the Employment Agreement were not agreed before Oliver Horn commenced employment with the Company. These are described in further detail below.

Termination benefits under the Employment Agreement

¹ Refer section 328B of the Corporations Act

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

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

Part 2D.2 of the Corporations Act

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

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

The term "benefit" has a wide operation and would include the Termination Payment proposed to be paid to Oliver Horn on or following termination of employment.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the 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 (for example, a payment by way of damages for breach of contract or a payment for past services).

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

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

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

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

Resolution 10. Approval of Leaving Entitlement to Andrew Duff; and Resolution 11. Approval of Leaving Entitlement to Greg Ellery

Background

As announced to ASX on 6 April 2020, Andrew Duff and Greg Ellery resigned as Chairman and Non-Executive Director respectively of the Company. At that time the Company entered into an agreement with Mr Duff and Mr Ellery dated 4 April 2020 (**Agreement**) to provide a leaving entitlement, to each of Mr Duff and Mr Ellery subject to Shareholder approval.

The Company is seeking Shareholder approval under Resolution 10 and Resolution 11 to approve a benefit payment payable to Mr Duff and Mr Ellery pursuant to the Agreement. Shareholder approval is required under the Corporations Act because matters under the Agreement were not agreed before Mr Duff and Mr Ellery commenced their directorships with the Company. These are described in further detail below.

Leaving Entitlements under the Agreement

- Andrew Duff \$127,800
- Greg Ellery \$85,000

(collectively, **Leaving Entitlements**).

Part 2D.2 of the Corporations Act

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

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

The term “benefit” has a wide operation and includes the Leaving Entitlements proposed to be paid to Mr Duff and Mr Ellery following their resignations as Directors.

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 (for example, a payment by way of damages for breach of contract or a payment for past services).

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

Accordingly, the amount and nature of the Leaving Entitlements 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 allow the Company to pay the Leaving Entitlements in connection with Mr Duff and Mr Ellery’s engagement as Directors of the Company. Making a payment to Mr Duff and Mr Ellery would involve giving a “benefit” to Mr Duff and Mr Ellery in connection with their 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.

Resolution 12. 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 the earlier of a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1 bringing the total combined potential placement capacity for the Company to 25%.

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

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

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM. If on the date of the AGM, Elixinol no longer meets this eligibility criteria, this Resolution 12 will be withdrawn.

Accordingly, Resolution 12 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 12 does not oblige the Company to conduct a placement or use the additional 10% capacity. The approval would provide the Company with additional flexibility and an ability to move quickly in the event of an opportunity arose which required additional capital.

At the date of this Notice, the Company has on issue 192,837,064 fully paid ordinary shares. If Resolution 12 is approved, the Company will have the capacity to issue:

- a. 28,925,560 equity securities under ASX Listing Rule 7.1; and
- b. 19,283,706 equity 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 12 the effect will be to allow Elixinol to issue equity securities under ASX Listing Rule 7.1A up to the combined 25% capacity in ASX Listing Rules 7.1 and 7.1A without further shareholder approval.

If shareholders do not approve Resolution 12, 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 the 15% capacity limit on issuing equity securities without shareholder approval under ASX Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

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

- If any of the securities being approved by this Resolution 12 are issued, they will be issued during the 10% Placement Period, that is, within 12 months of the date of the AGM (i.e. by 29 July 2021). The approval being sought under Resolution 12 will cease to be valid on the earlier of either of the following events occurring:
 - the time and date of the Company's next AGM;
 - 29 July 2021 being the date that is 12 months after the date of the AGM at which the approval was obtained; or
 - 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).
- The minimum price at which the equity securities will be issued for cash consideration per security which is not less than 75% of the volume weighted average market price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:

- a. the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
 - b. if the shares are not issued within 10 trading days of the date in paragraph a, the date on which the securities are issued.
- The shares 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 and general working capital purposes.
 - If Resolution 12 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, to the extent that such equity securities are issued, including the risk that:
 - a. the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

- The following table gives 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 has on issue. The number of fully paid ordinary securities on issue may increase as a result of issues of fully paid ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; 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 ²	Dilution			
	Issue price (per Share)	\$0.095 50% decrease in Issue Price	\$0.190 Issue Price	\$0.38 100% increase in Issue Price
192,837,064 (Current)	Shares issued	19,283,706	19,283,706	19,283,706
	Funds raised	\$1,831,952	\$3,663,904	\$7,327,808
289,255,596 (50% increase)	Shares issued	28,925,560	28,925,560	28,925,560
	Funds raised	\$2,747,928	\$5,495,856	\$10,991,713

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

385,674,128 (100% increase)	Shares issued	38,567,413	38,567,413	38,567,413
	Funds raised	\$3,663,904	\$7,327,808	\$14,655,617

- The table has been prepared on the following assumptions:
 - a. the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
 - b. no unlisted Options in ordinary shares are exercised before the date of issue of ordinary shares under ASX Listing Rule 7.1A;
 - c. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - d. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
 - e. the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - f. the issue of equity securities under the 10% Placement Facility consists only of shares; and
 - g. the issue price is \$0.190 per share³, being the closing price of the shares on ASX on 15 June 2020.

- The Company will comply with the disclosure obligations under ASX Listing Rule 7.1A.4 upon issue of any equity securities.

- 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 12) 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 or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 - a. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing shareholders;
 - b. the effect of the issue of equity securities on the control of the Company and balancing the interests of existing shareholders. Allocation will be subject to takeover thresholds;
 - c. the financial situation and solvency of the Company and its need for working capital at any given time; and

advice from corporate, financial and broking advisors (if applicable).

Prior issues or agreed issues under ASX Listing Rule 7.1A.2

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2019 Annual General Meeting held on 23 May 2019. Since the 2019 Annual General Meeting held on 23 May 2019, there have been no issues or agreed issues under ASX Listing Rule 7.1A.2.

³ Closing price on 15 June 2020 was \$0.190 per share.

Resolution 12 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

Annexure A

Summary of material terms of the executive employment agreement between Elixinol Global Limited and Mr Oliver Horn (**Employment Agreement**).

Term	Description
Position	Group Chief Executive Officer
Commencement date	21 April 2020
Term	Mr Horn's employment has no fixed term. Each party's termination rights under the Employment Agreement are set out below.
Total Fixed Remuneration (TFR)	<p>Under the terms of his employment agreement, Mr Horn is entitled to receive annual TFR comprised of:</p> <ul style="list-style-type: none"> • base salary of A\$395,000 (inclusive of superannuation) • superannuation equal to the minimum amount required to be paid to comply with the superannuation guarantee legislation. <p>The TFR is subject to annual review (starting in December 2020).</p>
Short-term incentive (STI)	In addition to the annual TFR, Mr Horn is eligible to receive a bonus in accordance with the Elixinol Global Short Term Incentive Plan Rules, of up to 25% of his TFR. The TFR may be increased by the Company from time to time.
Other benefits (including long-term incentive)	In addition to Mr Horn's base salary, the Company may, in its absolute discretion, provide Oliver with other benefits, such as other incentive payments, including any further grant of performance share rights in accordance with the Elixinol Global Equity Plan Rules, subject to any shareholder approval requirements.
Termination provisions	<p>Mr Horn will be employed indefinitely, subject to the rights of the Company, below:</p> <ul style="list-style-type: none"> • The Company may terminate the Chief Executive Officer's employment immediately and without notice in certain circumstances, including if he is guilty of serious misconduct, is grossly negligent or otherwise incompetent in the performance of his duties, becomes bankrupt or commits a crime or other civil wrong which, in the Company's reasonable opinion, may seriously impact on the Chief Executive Officer's ability to perform the duties of his position, or is likely to significantly damage the reputation or business of the Company. • The Chief Executive Officer's employment may be terminated by either party giving six (6) months' written notice. • The Company may also terminate the Chief Executive Officer's employment by either making a payment equal to six (6) months' pay in lieu of the entire notice period (or by making him work part of the notice period and making a payment in lieu of the balance of the notice period). <p>Any payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>
Post-employment restraint	A 12-month restraint provision applies.

Annexure B

The Directors
Elixinol Global Limited
Level 12
680 George Street
SYDNEY NSW 2000

25 June 2020

Dear Directors,

I, the undersigned being a member of Elixinol Global Limited (the Company) hereby nominate BDO Audit Pty Ltd, for appointment as auditor of the Company at the forthcoming annual general meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Paul Benhaim', with a stylized flourish at the end.

Paul Benhaim
Chairman & Non-Executive Director

