



ASX Announcement

16 July 2019

Elixinol announces Leadership and Group Structure Update

Highlights

- Stratos Karousos appointed as Chief Executive Officer, replacing Paul Benhaim who will be appointed Chief Innovation Officer
- Mr Benhaim to retain position on Elixinol Global Board, with Mr Karousos re-joining the Elixinol Global Board
- Focus on expanding our Sydney based Global Executive Office

Leadership and Board Update

Elixinol Global Limited (Elixinol Global or the Company) (ASX:EXL; OTCQX:ELLXF) today announces changes to its Board and senior executive team as the Company prepares to execute on its future growth plans. The Company is pleased to announce the appointment of Stratos Karousos as Chief Executive Officer, effective immediately, as Paul Benhaim steps into the role of Chief Innovation Officer. Mr Benhaim will retain his position on the Board. Mr Karousos will be re-joining the Board. Linda McLeod will step down from the Board to facilitate a non-executive majority, with a search for an additional non-executive director to start. Ms McLeod will continue in her current executive role.

Group Structure Update

The Group will expand its Global Executive Office in Sydney, Australia, to provide stronger unified planning and support across the Elixinol Global Group and to enable the various regional offices to focus on operational strategy and execution. Further details on the proposed structure will be provided in the Company's June quarterly update.

Further Background

Non-Executive Chairman, Andrew Duff, said: "These Group structure changes will better enable Elixinol Global to capitalise on the significant industry opportunity, and reflect Elixinol Global's continued and exciting growth. The Company is now of a scale that coordinated global resources are necessary to leverage insights and create efficiencies."

In relation to the leadership changes, Mr Duff said: "As Co-Founder of Elixinol Global, Paul has played an instrumental role in shaping and developing the Company to where it is today. The Board is of the view that Paul's greatest value will be to focus on leading our innovation efforts, recognising the fast-moving shift in consumer appetite for CBD and hemp derived products. I would also like to acknowledge Linda's significant contribution to the Board since inception." Mr Benhaim continues to have a shareholding of approximately 39.6% in Elixinol Global and will remain on the Board of Elixinol Global and as an integral part of the senior executive team.



Commenting on the growth opportunities, and the business capability required to deliver on those plans, Mr Benhaim commented: “I’m delighted the Company is moving to its next phase of growth. My new role frees me up to focus on my passion for innovation and product development and the Company will benefit from Stratos’ commercial and business process focus.”

In relation to the appointment of Mr Karousos as Chief Executive Officer, Mr Duff said: “Stratos has had a positive impact as Chief Commercial and Legal Officer since moving into that role in May this year and has the benefit of a thorough understanding of our business and relationships with our team. We recognise the skills, capabilities and track record of Stratos to deliver value to the Company and our shareholders and believe that now is the right time to further broaden Stratos’ role to help unlock Elixinol Global’s growth potential.”

Chief Executive Officer, Mr Karousos said further to the recent successful capital raising which was announced in June 2019, the hemp derived CBD market, particularly in the US, remains the key focus for the Company: “Elixinol Global currently has a broad business, both geographically and by product line. The plan is to critically review where we want to focus our efforts in the near-term and prioritise areas with the greatest potential. We believe the opportunity in the global CBD market, in particular the US, is substantial.”

A summary of Mr Karousos’ employment contract is included as an Appendix to this announcement.

For more information please contact:

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About Elixinol Global

Elixinol Global Limited (ASX:EXL; OTCQX:ELLXF) is a global leader in the cannabis industry, selling hemp-derived CBD dietary supplements, hemp food and wellness products, as well as the cultivation and manufacture of medicinal cannabis products.

Elixinol Global’s businesses include:

- Elixinol LLC (Elixinol), a manufacturer and global distributor of industrial hemp based dietary supplement and skincare products, with operations based out of Colorado, USA;
- Hemp Foods Australia Pty Ltd (Hemp Foods Australia), a leading hemp food wholesaler, retailer, manufacturer and exporter of bulk and branded raw materials, and finished products; and
- Nunyara Pharma Pty Ltd (Nunyara), founded in 2014 to participate in the emerging Australian medicinal cannabis market. Nunyara submitted licence applications for cultivation and manufacture to the Office of Drug Control in early 2018. These applications are currently pending approval.

See more at www.elixinolglobal.com



Appendix

Details regarding the terms of employment of the Chief Executive Officer (Stratos Karousos) are set out below.

Term	Description
Employer	Stratos Karousos is employed by the Company.
Total fixed remuneration (TFR)	<p>Under the terms of his employment agreement, Stratos is entitled to receive annual TFR comprised of:</p> <ul style="list-style-type: none"> base salary of \$337,500 (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 2019).</p>
Short-term incentive	In addition to the annual TFR, Stratos 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 Company and the Chief Executive Office may agree in writing to vary the terms of the bonus entitlement from time to time.
Other benefits (including long-term incentive)	In addition to Stratos' base salary, the Company may, in its absolute discretion, provide Stratos 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	<p>Stratos 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 6 months' written notice. The Company may also terminate the Chief Executive Officer's employment by either making a payment equal to 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>
Restraint	<p>The Chief Executive Officer's employment agreement also includes:</p> <ul style="list-style-type: none"> a post-employment non-competition restraint of trade, which operates in a maximum area covering New South Wales, Victoria, Queensland, Western



Term	Description
	<p>Australia, South Australia, Northern Territory, Tasmania, the Australian Capital Territory, Germany, Japan, Netherlands and the United States of America for a maximum period of 12 months from the date on which the Chief Executive Officer's employment ceases; and</p> <ul style="list-style-type: none">• a post-employment non-solicitation restraint of trade for the same geographical area and period of time.