

Elixinol Global Limited (ACN 621 479 794) (Company)

Corporate Governance Statement

All corporate governance policies have been adopted by the Company. All references to the **Board** below are references to the board of the Company. All references to **Shareholders** below are references to shareholders of the Company.

Principles and Recommendations	Compliance by the Company
<p>Principle 1 – Lay solid foundations for management and oversight</p> <p><i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i></p>	
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company complies with this recommendation.</p> <p>The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.</p> <p>Clause 2 of the Board Charter sets out the responsibilities of the Board. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.</p> <p>Clauses 5, 6 and 7 of the Board Charter set out the responsibilities delegated to the CEO, management and the company secretary.</p>
<p>Recommendation 1.2</p> <p>A listed entity should</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and</p> <p>(b) provide shareholders with all material information in its possession relevant to</p>	<p>The Company complies with this recommendation.</p> <p>Under the Board Charter, it is intended that the Board should comprise a mix of directors with a broad range of skills, expertise and experience from a broad range of skills, expertise and experience from a diverse range of backgrounds selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.</p> <p>Clause 16 of the Board Charter notes that in considering any selection, appointment or re-appointment to the Board, the Board will consider the necessary and desirable competencies of any directors and proposed directors. Additionally, the Board will ensure that the Company undertakes appropriate checks before appointing a person, or putting forward to securityholders a candidate for election.</p>

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<p>a decision on whether or not to elect or re-elect a director.</p>	<p>Clause 16 also notes that the Board will ensure that the Company provides securityholders all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company complies with this recommendation.</p> <p>The Company will have a written agreement with each director and senior executive setting out the terms of their appointment.</p>
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 6 of the Board Charter provides that the secretary is accountable to the Board on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for</p>	<p>The Company complies with this recommendation.</p> <p>The has a Diversity Policy which applies to the employees and directors of the Company and subsidiaries. Clause 4 of the Diversity Policy provides that the Board approves a methodology for establishing measurable objectives to promote diversity and the Company's progress in achieving them. The Diversity Policy's effectiveness is measured at least annually (Clause 6.1(c)).</p> <p>The Diversity Policy will be disclosed on Company's Investor Information section on its website.</p> <p>Clause 6.2 of the Diversity Policy provides that progress towards achievement of Measured Objectives will be disclosed annually on the Company's website and the Company's annual report.</p>

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<p>achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.</p>	
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that</p>	<p>The Company complies with this recommendation.</p> <p>Clause 14 of the Board Charter provides that the Board will regularly carry out a formal review of its performance, its committees, Senior Management and each director.</p> <p>The Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.</p>

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process.	
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 14 of the Board Charter provides that the Board will regularly carry out a formal review of its performance, its committees, Senior Management and each director.</p> <p>Clause 14 notes that each year the Board will disclose confirmation that this review has taken place.</p>
<p>Principle 2 – Structure the board to add value</p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p>	
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director;</p>	<p>The Company complies with this Recommendation.</p> <p>The Company has adopted a Remuneration and Nomination Committee (RNC) Charter. Clause 9.1 notes that the RNC will comprise a minimum of three members, a majority of whom should be independent non-executive directors.</p> <p>Clause 8.3 notes that the chairperson of the RNC must be an independent non-executive director.</p> <p>Clause 9.14 notes that the RNC Charter and the members of the RNC are to be disclosed by the Company.</p> <p>Clause 9.15 notes that at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed.</p>

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<p>and disclose</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 3.2 of the Board Charter sets out the board skills matrix and the mix of skills, expertise and experience that the board of directors should comprise.</p> <p>This will be disclosed by the Company.</p>

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<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Company complies with this recommendation.</p> <p>The Company will disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company does not comply with this recommendation.</p> <p>Clause 3.1 of the Board Charter provides that the majority of the Board should be independent, unless the Board considers an alternative composition to be appropriate. With that being said, at the time of listing, the Board will be comprised of two independent directors and two executive directors.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 3.1 of the Board Charter provides that the chairperson of the Board must be one of the non-executive directors who is independent, unless the Board considers an executive director who is not independent to be appropriate.</p>

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<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 15 of the Board Charter provides that the Company has induction procedures in place to allow new directors to gain an understanding of the Company (including its culture and values) and their rights, duties and responsibilities, the roles and responsibilities of senior executives, the role of Board Committees, and meeting arrangements and director interaction.</p>
<p>Principle 3 – Promote ethical and responsible decision making</p> <p><i>A listed entity should act ethically and responsibly</i></p>	
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has a Code of Conduct which applies to employees and directors of the Company, its subsidiaries and the Manager.</p> <p>The Code of Conduct will be disclosed on its website in the Investor Information section.</p>
<p>Principle 4 – Safeguard integrity in corporate reporting</p> <p><i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting</i></p>	
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all</p>	<p>The Company does not comply with this recommendation. At the time of listing, the Audit and Risk Committee (ARC) will be comprised of two executive directors and an independent non-executive director and be chaired by the independent non-executive director who does chair the Board.</p> <p>The Company has established an ARC which is governed by the ARC Charter which sets out its roles and responsibilities.</p>

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<p>of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The ARC Charter will be disclosed on the Investor Information of the Company's website.</p> <p>Clause 3(a) of the ARC Charter provides that the Committee should comprise of:</p> <ul style="list-style-type: none"> • only non-executive directors; and • a majority of directors who are independent. <p>Clause 3(a) of the Charter provides that the chair of the Committee should be a non-executive director who does not chair the Board.</p> <p>Clause 4.1(d) of the ARC Charter provides that the ARC must report annually to the Board regarding information to be provided in the Annual Report to securityholders, describing the ARC's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules.</p>
<p>Recommendation 4.2</p>	<p>The Company complies with this recommendation.</p>

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<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Clause 4.1(d) of the ARC Charter provides that before the Board approves the Company's financial statements for a financial period, the ARC are to provide a report on whether the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.</p> <p>The ARC will seek the same declaration from the CEO and CFO.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 5.3(a)(iii) of the Constitution of the Company requires that a notice of meeting is sent to the Company's auditor in relation to each general meeting.</p>
<p>Principle 5 – Make timely and balanced disclosure</p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>	
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p>	<p>The Company complies with this recommendation.</p> <p>The Company has in place a continuous disclosure policy. The continuous disclosure policy will be disclosed on its website in the Investor Information section.</p>

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(b) disclose that policy or a summary of it.	
<p>Principle 6 – Respect the rights of security holders</p> <p><i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i></p>	
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Company complies with this recommendation.</p> <p>The Company will provide information about itself and its governance on its website pursuant to its Securityholder Communication Policy.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company complies with this recommendation.</p> <p>The Company's Securityholder Communication Policy provides for an investor relations program which actively encourages two-way communication:</p> <ul style="list-style-type: none"> • through the AGM where Securityholder participation is actively encouraged and facilitated; and • by providing Securityholder's with information via the Company's website and the option to receive email communications, and send email communications directly to us and to our securities registry.
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Company complies with this recommendation.</p> <p>The Company will disclose its Securityholder Communication Policy on its website in the Investor Information section.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its</p>	<p>The Company complies with this recommendation.</p> <p>The Company's Securityholder Communication Policy provides securityholders the option to receive email communications, and send email communications directly to us and to our securities registry.</p>

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security registry electronically.	
<p>Principle 7 - Recognise and manage risk</p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework</i></p>	
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	<p>The Company does not comply with this recommendation. At the time of listing, the ARC will be comprised of two executive directors and an independent non-executive director.</p> <p>The Company has established an Audit and Risk Committee (ARC) which is governed by the ARC Charter which sets out its roles and responsibilities.</p> <p>The ARC Charter will be disclosed on the Investor Information of the Company's website.</p> <p>Clause 3(a) of the ARC Charter provides that the Committee should comprise of:</p> <ul style="list-style-type: none"> • only non-executive directors; and • a majority of directors who are independent. <p>Clause 3(a) of the Charter provides that the chair of the Committee should be an non-executive director who does not chair the Board.</p> <p>Clause 4.1(d) of the ARC Charter provides that the ARC must report annually to the Board regarding information to be provided in the Annual Report to securityholders, describing the ARC's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules.</p>

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<p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 2(d)(i), (ii) and (iii) of the ARC Charter provides that the Committee is responsible for review the risk profile of the Company at least annually to satisfy itself that it continues to be sound and disclose that such a review has taken place in the Company's annual report; review and report to the Board (at least annually) on the effectiveness of the Company's internal control; and review and report to the Board (at least annually) on the effectiveness of internal systems and process for identifying, managing and monitoring material business risks.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company complies with this recommendation.</p> <p>Clause 2(d)(ii) and (iii) of the ARC Charter provides that the Committee is responsible for the review and report to the Board (at least annually) on the effectiveness of the Company's internal control; and review and report to the Board (at least annually) on the effectiveness of internal systems and process for identifying, managing and monitoring material business risks.</p>

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<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company complies with this recommendation.</p> <p>The Company will disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>
<p>Principle 8 – Remunerate fairly and responsibly</p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retrain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>	
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director.</p> <p>and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting</p>	<p>The Company complies with this recommendation. At the time of listing, the RNC comprises of two independent directors and an executive director.</p> <p>The Company has a Remuneration and Nomination Committee (RNC) Charter.</p> <p>The RNC Charter will be disclosed on the Investor Information of the Company’s website.</p> <p>Clause 9.2 of the RNC Charter notes that a quorum of the RNC will comprise two members, one of whom must be the Chairperson or, in the absence of the Chairperson, another independent director.</p> <p>Clauses 9.14 and 9.15 note that the charter and members must be disclosed and at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed.</p>

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<p>period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Company complies with this recommendation.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p>	<p>The Company complies with this recommendation.</p> <p>The Securities Trading Policy will be disclosed on the Investor Information of the Company's website.</p> <p>Clause 1.7 of the Securities Trading Policy prohibits restricted persons from trading in financial products that limit the economic risk of security holdings in the Company of unvested equity entitlements (or vested entitlements subject to a holding lock).</p>

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(b) disclose that policy or a summary of it.	