



Securities Trading Policy

1. Overview

1.1 Policy

This Securities Trading Policy (**Policy**) sets out Elixinol Global Limited's (**Group**) procedures for all Directors, officers and employees dealing in securities in the Group, and in some instances, other companies. The General Trading Policy applies to those persons defined below as Restricted Persons of the Group. Restricted Persons must restrict their buying and selling of the Group's securities within the Group trading window established by this Policy (i.e. times other than the closed periods) and must also comply with the Insider Trading Policy of the Group in section 2 below.

1.2 Restricted Persons restrictions on trading

The board of directors (**Board**) of the Group has established the following General Trading Policy and the restrictions on trading in securities of the Group set out below applies to the following representatives of the Group (**Restricted Persons**):

- (a) the Board;
- (b) the Chief Executive Officer of the Group (**Group CEO**);
- (c) directors and company secretary of any subsidiary;
- (d) all direct reports of the Group CEO;
- (e) any person who is entitled to receive equity performance rights and/or options as part of any equity incentive based scheme of the Group;
- (f) consultants, advisors and contractors;
- (g) the company secretary of the Group (**Company Secretary**); and
- (h) other persons specified from time to time by the Group CEO, the Chief Financial Officer (**CFO**) or the Company Secretary.

The Restricted Persons are subject to restrictions on trading in the Group's Securities (as defined below) at certain times of the year. Restrictions also apply where any Restricted Person is exposed to inside information in the course of their duties in accordance with the Insider Trading Policy (see section 2 below).

The Policy applies to all shares, units, options, debentures, bonds, notes and other traded securities in the Group including derivatives or financial products issued or created over any of these (**Securities**) in which a Restricted Person has either a direct or indirect interest. This Policy also applies to securities of other companies of which a Restricted Person has "Inside Information" (see section 2) because of their position in the Group.



1.3 Associated parties

Each Restricted Person has a personal responsibility to ensure that his or her "associated parties" (being immediate family (including a spouse (or equivalent) or dependent), family company or trust) complies with the same respective restrictions as apply to Restricted Persons.

1.4 Prohibition on dealing in Securities

Subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), employees of the Group who are not Restricted Persons may trade in the Group's Securities, without prior approval, except during the closed periods.

Restricted Persons may not deal whilst in the possession of "Inside Information" (see section 2) – this restriction applies at all times. In addition, the Restricted Persons must not deal in the Group's Securities during the closed periods.

The closed periods are:

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

Any employee of the Group or Restricted Person seeking to trade during the closed period must demonstrate exceptional circumstances to trade during this period and obtain prior written approval from the Company Secretary to trade.

The Insider Trading Policy and the market perception obligation (defined below in section 3) continue to apply at all times including during closed periods and even if an employee of the Group or Restricted Person has given notification of a proposed dealing or received approval to deal.

1.5 Board of Directors' discretion

The Board has an absolute discretion to place an embargo on Restricted Persons and/or their respective associated parties trading in the Group's Securities at any time in addition to the above.

1.6 Notification rules in relation to dealing in Securities

Restricted Persons are required to notify the Group of intended dealings in Securities, including entering into transactions or arrangements which operate to



limit the economic risk of their security holdings in the Group, by themselves or their associated parties, of the Group prior to such intended dealings.

This should be done by completing and submitting to the Company Secretary the approval form in Schedule A to this Policy.

The Company Secretary may confer with the Chair of the Board in relation to any proposed dealing and any clearance to trade can be given or refused by the Group in its discretion, without giving any reasons. The Company Secretary will maintain a register of requests, confirmations and refusals to trade.

Any approval of proposed dealings in the Group's Securities is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Restricted Persons remain responsible for their own investment decisions and compliance with the law.

1.7 Prohibitions on certain arrangements by Restricted Persons

(a) Restricted Persons:

- I. must not use or deal in Group Securities for margin lending or other secured financing arrangements. This is on the grounds that the terms of such arrangements may lead to a breach of this Policy, such as transferring or trading Group Securities in a closed period or when a Restricted Person possesses inside information;
- II. must not engage in short term trading in the Group's Securities. Short term means in less than a ninety-day period; and
- III. must not engage in hedging arrangements and more specifically are prohibited from trading in financial products issued or created over the Group's Securities by third parties, or trading in associated products and entering into transactions in associated products which operate to limit the economic risk of security holdings in the Group over unvested entitlements (or vested entitlements which remain subject to a holding lock).

- (b) Despite section 1.7(a) above, if a Restricted Person entered into an arrangement (a pre-existing arrangement) that would otherwise be prohibited under these paragraphs prior to becoming a Restricted Person or prior to the date this provision in the Policy became effective, that person is permitted to continue that arrangement until the expiry of the relevant arrangement.
- (c) The Board may in its absolute discretion determine different conditions in respect of a pre-existing arrangement.
- (d) A Restricted Person must notify the Company Secretary the details of an arrangement that would otherwise be prohibited under section 1.7(a), within five (5) business days of becoming a Restricted Person.



- (e) A Restricted Person must notify the Company Secretary if they are aware that there is or likely to be a involuntary disposal of the Group's Securities that results from a margin lender exercising its rights under a margin lending arrangement that has been retained in accordance with this section 1.7.

1.8 Directors to notify ASX of shareholding

The Directors of the Group are required to complete, or request that the Company Secretary complete, either an Appendix 3X, 3Y or 3Z and provide it to the Group to be filed with the Australian Securities Exchange (**ASX**) in respect of their securityholding in the Group for the purposes of section 205G of the Corporations Act and ASX Listing Rule 3.19A.

2. Insider Trading Policy

2.1 Policy

The Board of the Group has established the following Insider Trading Policy to apply to trading in the Group's Securities on the ASX.

This policy applies to all Restricted Persons and their associates who must not deal in Securities (or any financial products associated with the Group's Securities) while in possession of price sensitive information (i.e. information relating to the Group that, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of a type of the Group's Securities. That material effect is satisfied if the information would be likely to influence persons who commonly invest in securities in deciding whether or not to buy or sell that type of the Group's Securities).

In addition, the General Trading Policy (see section 1 above) sets out additional restrictions which apply to Restricted Persons.

The law imposes a number of significant restrictions on Restricted Persons and employees of the Group when they deal in the Group's Securities. As fiduciaries, these persons must not utilise their position for their own gain or for the gain of any person other than the Group.

The Corporations Act imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Any perception of improper conduct by employees of the Group also has the potential to substantially damage the Group's reputation.

The Group has established the policy set out in this document in an effort to prevent the incidence of insider trading in the Group's Securities. The policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each Restricted Person to comply with this policy.

There are insider trading laws of countries other than Australia, so Restricted Persons may also be subject to additional prohibitions if those laws apply to them.



2.2 Overview of the insider trading provisions in the Corporations Act

It is illegal for anybody to deal in any securities of a body corporate, when in possession of information that the person knows, or ought reasonably to know:

- is not generally available (including information that the Group has not disclosed to the market in accordance with the Group's Continuous Disclosure Policy); and
- might have a material effect on the price or value of those securities if it was generally available (**Inside Information**).

This prohibition extends to procuring another person to deal, and, in the case of securities of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so. To communicate Inside Information to another person is also an offence which carries both civil and criminal penalties.

A person in possession of Inside Information about the Group has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.

2.3 Dealing with security analysts, institutional investors and journalists

A person may be exposed to others outside the Group such as security analysts, institutional investors and journalists. It is important that all Restricted Persons be aware that selective disclosure of non-public information may result in a breach of the insider trading rules.

It is important to emphasise that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed.

It is possible to convey information in breach of this policy and the Corporations Act by expressing subjective attitudes about the Group's performance or by calling attention to selective information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with an analyst, journalist or other outsider, material non-public information concerning the Group is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the Group has made full public disclosure of that information. The Company Secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information. No public comments should be made regarding any previously undisclosed operating results or other developments unless authorised by the Group.



2.4 Potential consequences of insider trading

As well as reputational damage to both individuals and the Group, a contravention of the law relating to insider trading can have serious consequences for the Group, including criminal and civil liability for individual directors, officers and employees of the Group.

3. **Market Perception Obligation**

Dealings in Securities can affect the Group's reputation. It is expected that individuals consider how their proposed dealings in the Group's Securities (or the securities of another company) could be perceived by the market, before any such dealing occurs. Individuals must not deal in the Group's Securities if a proposed dealing could be perceived by the market as taking advantage of that person's position in an inappropriate way. This is referred to in this Policy as the "market perception obligation". Where approval is required for a dealing under this Policy, approval will not be granted where the dealing does not satisfy the market perception obligation.

4. **Takeovers and schemes of arrangement**

The restrictions in this Policy do not prevent a Restricted Person from accepting a takeover bid or selling Securities under a scheme of arrangement in respect of the Group.

5. **Contravention of this Policy**

The Group considers the contravention of this Policy to be a serious matter and may lead to disciplinary action, including termination of employment.

Employees of the Group must report any contravention of this Policy to the Company Secretary, who will in turn report it to the Board.

6. **Review of policy**

This Policy will be reviewed regularly by the Board having regard to the changing circumstances of the Group. Any material change to this Policy will be promptly released to ASX.

7. **Disclosure of Policy**

This Policy is disclosed on the Group's website at: www.elixinolglobal.com.

8. **Questions**

For questions about the operation of this Policy, please contact the Company Secretary.



SCHEDULE A

SECURITIES TRADING REQUEST FORM

Name of employee, director or consultant:	
Name in which Group Securities are held:	
Approval to buy or sell:	
Proposed date of transaction:	
Proposed Trader or Broker for the trade:	
Number of Securities:	
Australian Dollar Value:	
Will the trade lead to a conflict or potential or perceived conflict?	
Signature:	
Date and Time:	

Permission GRANTED / NOT GRANTED	
Signature	
Date:	

DOCUMENT VERSION CONTROL

CHANGE HISTORY

Version	Date	Author	Reason for Change
Version 1.0	25 October 2017	New Policy	New Policy
Version 2.0	18 July 2019	Ron Dufficy Chief Financial Officer	Minor amendments made to policy document to reflect role title changes.
Version 3.0	17 December 2019	Teresa Cleary General Counsel & Company Secretary	General amendments made to policy document.
Version 4.0	22 October 2020	Teresa Cleary General Counsel & Company Secretary	Material amendments made to policy document.