

# CONFLICTS OF INTEREST POLICY

*Approved by the Board on 21 April 2020*

## 1. Purpose

The purpose of this Conflict of Interest Policy (**Policy**) is to help the Board and Committee members (**Directors**) of Elixinol Wellness Limited (**Company**) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the Company and manage risk.

## 2. Objective

The Company's Board Charter requires the Directors to disclose any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the Director becomes aware of and which the Director reasonably believes may compromise the reputation or performance of the Company.

This Policy sets out the disclosure obligations of each Director with respect to conflicts of interest, and the procedures to be followed should a conflict of interest arise.

The Company aims to ensure that the Directors are aware of their obligation to disclose any conflicts of interest or perceived conflicts of interest that they may have, and to comply with this Policy to ensure they effectively manage those conflicts of interest as representatives of the Company.

Each Director has a duty not to place themselves in a position where:

- he or she has a material personal interest or other interest giving rise to a real or substantial possibility of a conflict; or
- his or her duty to the company conflicts with, or gives rise to, a substantial possibility of conflict with another fiduciary or statutory duty,

in relation to any matter which is or is likely to be brought before the Board of the Company.

## 3. Definition of Conflict of Interest

A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of the Company. Personal interests include direct interests, as well as those of family, friends, or other companies or organisations a person may be involved with or have an interest in (for example, as a shareholder). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the Company. Therefore, these situations must be managed accordingly.

Examples of conflict of interest include:

- When a Director or staff member or his/her family, friends or business interests stands to gain financially from any business dealings or services of the Company.
- When a Director or staff member offers their professional service to the Company.
- When a Director or staff member stands to gain personally or professionally from any insider knowledge if that knowledge is used to personal advantage.
- Where a Director or staff member has a role on the governing body of another organisation, where the activities of that other body may be in direct conflict or competition with the activities of the Company.

Conflicts of interest are common, and do not need to present a problem as long as they are openly and effectively managed.

It is the policy of the Company, as well as a responsibility of the Board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to the Company.

The Company will manage conflicts of interest by requiring Directors to:

- Avoid conflicts of interest where possible.
- Identify and disclose any conflicts of interest.
- Carefully manage any conflicts of interest.
- Follow this Policy and respond to any breaches.

#### **4. Disclosure of Interests**

Directors are required to disclose to the Board:

- any material personal interest that he or she may have in a matter relating to the affairs of the Company; and
- any other interest in a matter relating to the affairs of the Company, which may give rise to, or be perceived to give rise to, a real or substantial possibility of conflict.

A Director is required to disclose such conflict of interest immediately on becoming aware of the interest to the Board. A Director may at any time declare a conflict of interest in relation to a matter by notification to the Company Secretary, who will notify the other Directors of the conflict as soon as practicable.

#### **5. Conflicts Procedure**

##### ***Identification by a Director***

Where a Director has disclosed a conflict of interest as required by this Policy, the conflicted Director:

- will continue to receive Board papers or other information which relates in any way to the matter or issue which is the subject of the conflict of interest, unless the Director requests,

or the Chair (or where the conflict relates to the Chair the lead independent Director) determines, that he or she not receive any or all of those documents;

- will withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
- will not vote on the matter.

A Director should request that he or she not receive any Board papers or other information relating to a matter, where receipt of those documents would place the Director in a position of conflict.

### ***Identification by the Board***

If there is any matter which is or is likely to be brought before the Board, and the Chair, a Director or the Chief Executive Officer (**CEO**) has a concern that the disclosure of such matter to a particular Director:

- would not be in the best interests of the Company; or
- place that particular Director in a position of conflict,

then the matter should be referred to the Chair. After the Chair has considered the matter in consultation with the CEO and the Company Secretary, the Chair may determine that the particular Director is in a position of conflict, and in such circumstances, the conflicted Director:

- will not receive Board papers or other information which relates in any way to the issue or matter the subject of the conflict of interest;
- will withdraw from any part of a Board or Board Committee meeting for the duration of any discussion on that matter; and
- will not vote on the matter.

Where disclosure of a particular matter may place the Chair in a position of conflict or relates to the Chair or a disclosure made by the Chair, the Directors will appoint a lead independent Director, who will consider the matter in consultation with the CEO and the Company Secretary, and make a determination on the matters as set out in this Policy.

## **6. Access to Information**

Where a Director has been excluded from receipt of Board papers or Board discussion on a matter, the Company Secretary will advise the Director concerned of the broad nature of the withheld information and why it has been withheld from him or her.

Where a Director:

- is uncertain as to whether an interest should be disclosed in accordance with this Policy;
- has been excluded from receipt of Board papers or consideration of a matter by the Board; or
- is uncertain whether to request that he or she not receive any Board papers or other information relating to a matter,

the Director should discuss with the Company Secretary and, if appropriate, the Director is authorised to obtain (at the cost of the Company) legal or other independent professional advice (as reasonably required).

Once information withheld from a Director in accordance with this Policy becomes public knowledge or if, in the opinion of the CEO, after consultation with the Chair (or where the matter concerns the Chair, the appointed lead independent Director), the potential for conflict has passed, the excluded Director will be entitled to, should he or she request it, a briefing by the CEO as to the current status of the matter and the particulars of any decision of the Board in respect of that matter.

## **7. Policy Review**

The Board will review this Policy from time to time, in order to ensure that it remains current with respect to legal and regulatory requirements.

**DOCUMENT VERSION CONTROL**

**CHANGE HISTORY**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Reason for Change</b>
Version 1.0	21 April 2020	Teresa Cleary General Counsel & Company Secretary	New Policy
Version 1.1	17 May 2021	Teresa Cleary General Counsel & Company Secretary	Updated to reflect EXL's name change on 17 May 2021 and amended references to "Chairman" to "Chair.