

REGULATORY COMPLIANCE COMMITTEE CHARTER

WELLNEX LIFE LIMITED

ACN 150 759 363

(Company)

Objectives

- 1 The purpose of the Regulatory Compliance Committee (**Committee**) is to:
 - 1.1 oversee, review and supervise the regulatory compliance of the Company and its subsidiaries and affiliated entities, including its wholly-owned subsidiary, BSPS Aust Pty Ltd ACN 649 057 262 (“**BSPS**”) and its affiliated entity 1LH Pty Ltd ACN 666 879 232 (“**the JV Company**”) (collectively, “**the Group**”), with respect to the Group’s activities involving medicinal cannabis (“**MC Activities**”). As at the date of this Charter, the Group is only involved in MC Activities. Noting that in Australia the supply of cannabis other than for strictly limited medicinal or clinical research purposes is entirely illegal, and the Group has no intention to ever engage in activities relating to the manufacture or distribution of, or any other dealing with, cannabis-products for recreational purposes;
 - 1.2 monitor the regulatory compliance of:
 - 1.2.1 the Group’s supply chain parties for the MC Activities, including:
 - upstream suppliers of cannabis plants, cannabis or cannabis resin to manufacturers of medicinal cannabis products supplied to the Group;
 - manufacturers of medicinal cannabis products supplied to the Group;
 - providers of logistics services to facilitate the supply by wholesale of medicinal cannabis products to licensed pharmacies to dispense to patients who have received a prescription under the Therapeutic Goods Administration’s (“TGA”) Authorised Prescriber Scheme and Special Access Scheme; and
 - pharmacies who order medicinal cannabis products sponsored by the members of the Group;(“**Supply Chain Parties**”); and
 - 1.2.2 the other shareholders in the JV Company (“**JV Parties**”);
 - 1.3 assist the Board in discharging its responsibilities relative to regulatory compliance of the Group’s MC Activities; and
 - 1.4 carefully consider, and provide an effective review of, any proposal by the Group, the Supply Chain Parties or the JV Parties to enter into any activities involving cannabis beyond the existing MC Activities.

Authority

- 2 The Committee:
 - 2.1 has authority to seek legal advice (including from Australian and English counsel) and other professional advice as and when required for the purpose of discharging its responsibilities; and
 - 2.2 shall escalate without delay any material concerns, including in particular any concern about a breach by a member of the Group or any of the Supply Chain Parties or JV Parties of any Applicable Law, to the full Board.
- 3 The Committee has unrestricted access to the Board and other employees, managers, contractors and consultants or other providers of services or products to the Company, including the Supply Chain Parties and JV Parties, for the purpose of carrying out its responsibilities.
- 4 The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee shall ensure that any such recommendations made to the Board for approval, if implemented by the Board, would not result in any member of the Group undertaking or continuing any activity that is in breach of any Applicable Law (including, without limitation, any activity involving recreational cannabis). The Committee does not have the power or authority to make a decision in the Board's name or on its behalf or to change the nature of the Group's MC Activities or authorise any additional activities beyond the Group's existing MC Activities.
- 5 For the purposes of this Charter, "**Applicable Laws**" includes all state and federal laws, regulations and guidelines applicable to the Group and (as appropriate) the Supply Chain Parties or JV Parties, including all such laws as relate to the manufacture, sale or use of cannabis products and the permitting and licencing regime applicable to MC Activities within Australia and also (for as long as the Company's shares are admitted to trading on the AIM Market operated by London Stock Exchange plc, or any other stock exchange in the United Kingdom) the Proceeds of Crime Act 2002 (as amended, and including any successor legislation).

Membership

- 6 Members of the Committee shall comprise:
 - (a) at least 2 members of the Board appointed by the Board, being:
 - (i) at least one independent non-executive director who will also chair the Committee; and
 - (ii) one other (preferably independent) non-executive director; and
 - (b) at least 2 relevant subject matter experts from the Company's management team, including Mr Chris Kominatos in his role as Scientific and Regulatory Director and Dr Sylvia Victor in her role as General Manager – Cannabis, and persons subsequently fulfilling those roles.
- 7 All members of the Committee shall be technically literate and the members of the Committee, between them, must have the relevant technical expertise and a sufficient understanding of the medicinal cannabis sector in Australia, and the relevant Applicable Laws, to be able to discharge the Committee's mandate effectively.
- 8 The Board will nominate the Chair of the Committee from time to time. The Committee Chair shall be an independent non-executive director who is not Chair of the Board.

Committee Meetings

- 9 The Committee will meet as often as the Committee members deem necessary to discharge its role



effectively, but not less than four times annually having regard to the Board's calendar.

- 10 The Committee Chair shall convene a meeting of the Committee if required to do so by any Committee member or the Board, and shall convene a meeting (and shall give notice of such meeting to the Board) if it comes to the attention of the Committee Chair that:
 - 10.1 there is any actual, potential or alleged breach of any Applicable Law by any member of the Group or any Supply Chain Party or JV Party; or
 - 10.2 there is any change to any Applicable Law that would have an impact on the legality of, or licensing regime applicable to, the Group's and the Supply Chain Parties' MC Activities.
- 11 The other members of the Committee must promptly inform the Committee Chair if they become aware of any matters covered by paragraphs 10.1 and/or 10.2 above.
- 12 A quorum of the Committee will comprise two members.
- 13 All members of the Board have a standing invitation to attend meetings of the Committee.
- 14 If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chairperson for that meeting.
- 15 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and any other person invited by the Committee to attend. However, any member of the Committee may require that a meeting be convened on short notice if that member becomes aware of an issue or potential risk of non-compliance with Applicable Laws affecting the MC Activities or relevant to the Company's Supply Chain Parties or the JV Parties.
- 16 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 17 Each member of the Committee will have one vote. The Committee Chair will not have a casting vote and the Committee's decisions must be unanimous. In the event of a split vote, the motion will be referred by the Committee Chair to the Board for resolution and the Committee Chair shall provide the Board with:
 - 17.1 a detailed account of which members voted for or against that resolution, along with a summary of the rationale behind their respective votes; and
 - 17.2 sufficient information upon which to make a decision in respect of the resolution referred to it.
- 18 Following each meeting, the Committee Chair will report to the Board, at the next Board meeting, on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action and provide the Board with sufficient information upon which to make a decision in that regard, provided that if at such meeting there is discussed any actual, potential or alleged breach of any Applicable Laws by any member of the Group or any Supply Chain Party or JV Party, such report shall be provided to the Board immediately after such meeting.
- 19 The Company Secretary shall provide secretariat support to the Committee and co-ordinate the timely completion and dispatch of the Committee agenda, minutes and materials for each meeting. The minutes of each Committee meeting will, following preliminary approval by the Committee Chair, be circulated to the Board.

Responsibilities

20 The responsibilities of the Committee are:

Compliance

- 20.1 consider the workplan for Group compliance activities for the MC Activities;
- 20.2 obtain regular updates from members of the Group's management and from Supply Chain Parties and JV Parties regarding compliance matters relevant to the MC Activities;
- 20.3 review the effectiveness of the Group's systems for monitoring compliance with all Applicable Laws relevant to the MC Activities and the results of management's investigation and follow-up (including internal disciplinary action or action under contracts with Supply Chain Parties) of any instances of non-compliance;
- 20.4 actively monitor whether any Supply Chain Party or JV Party becomes involved in any activities with respect to cannabis (including any such activity that relates to recreational cannabis) other than MC Activities and make appropriate investigations to ensure that no Supply Chain Party or JV Party is in breach of any Applicable Laws; and
- 20.5 review the findings of any examinations by regulatory authorities of the Group's MC Activities or of any of the Group's Supply Chain Parties or JV Parties;

Reporting and reviewing responsibilities

- 20.6 regularly report to the Board about Committee activities, issues, and related recommendations;
- 20.7 oversee BSPS's and the JV Company's preparation and submission of reports to the TGA and Victorian Department of Health;
- 20.8 review the monthly reports received from The Entourage Effect Pty Ltd (or any other company providing logistics services for the MC Activities) to ensure that the logistics company is only supplying products to appropriately licensed pharmacies. Members of management on the Committee must review these reports promptly, circulate the reports to the other members of the Committee, identify any matters of concern arising from the reports and recommend actions to be taken to address those concerns;

Supply chain

- 20.9 regularly verify (at least quarterly) that the licences of the Supply Chain Parties are in good standing, and make appropriate investigations to ensure that the Supply Chain Parties are not in breach of any Applicable Laws in relation to the MC Activities, and in particular to ensure that the Supply Chain Parties have no involvement in recreational cannabis;
- 20.10 ensure that any apparent deficiencies in the licences of the Supply Chain Parties are promptly rectified by those parties and if not rectified:
 - 20.10.1 that non-compliances are reported to the TGA and/or Victorian Department of Health as required; and
 - 20.10.2 that the Committee recommend to the Board the actions necessary to ensure that the Supply Chain Party's non-compliance does not affect the

Group's ability to conduct the MC Activities in compliance with all Applicable Laws, which may include termination of the contract with that Supply Chain Party and identifying an alternative Supply Chain Party.

- 20.11 monitor any investigations by regulatory authorities into the Group's Supply Chain Parties;
- 20.12 assess the potential impact of those investigations on the ability of the Group to conduct the MC Activities lawfully and recommend actions to ensure that the Group can continue to conduct the MC Activities lawfully (including suspension of certain activities, termination of contracts with Supply Chain Parties and identifying new Supply Chain Parties);
- 20.13 carry out due diligence on potential new Supply Chain Parties, to verify their compliance with regulatory requirements and the credibility of their management teams;
- 20.14 provide recommendations to the Board on selection of new Supply Chain Parties by the Group or by a contract counterparty of a member of the Group; and
- 20.15 for as long as the Company's shares are listed on the AIM market of the London Stock Exchange plc, support the Board in any necessary consultation with AIM Regulation prior to the Group's appointment of a new Supply Chain Party or approval of appointment of a new Supply Chain Party by a contract counterparty;

JV Parties

- 20.16 monitor any investigations by regulatory authorities into any of the JV Parties;
- 20.17 assess the potential impact of those investigations on the ability of the Group and the JV Parties to conduct the MC Activities lawfully and recommend actions to ensure that the Group and the JV Parties can continue to conduct the MC Activities lawfully (including suspension of certain activities and, subject to its terms, termination of the shareholders' agreement relating to the JV Company);
- 20.18 carry out due diligence on potential new JV Parties, to verify their compliance with regulatory requirements and the credibility of their management teams;

Compliance systems

- 20.19 actively monitor for changes in Applicable Laws and/or associated policies of regulators;
- 20.20 review any changes in Applicable Laws or regulatory policy to remain up to date with regulatory requirements for the MC Activities and with the policies and practices of regulators with jurisdiction over the MC Activities;
- 20.21 review the adequacy of the Group's compliance systems for MC Activities and update them to respond to regulatory updates; and
- 20.22 upon learning about a new regulation or change of regulation or policy, ensure that all relevant staff are informed and educated on how to comply with the new regulation or policy.

Review of Committee and Committee Charter

- 21 Members of the Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.



- 22 The Committee will review annually its activities and the manner in which it has carried out its responsibilities, and report to the Board on the outcome of the review.
- 23 The Committee will review annually the terms of the Charter. The Committee may recommend to the Board any changes to this Charter. Any amendments to this Charter must be approved by the Board.
- 24 The Committee shall make available the terms of the Charter to shareholders and include the information on the Company's website.