Notice of Annual General Meeting and explanatory memorandum

Hydrix Limited

ACN 060 369 048

Date:	Friday, 11 December 2020
Time:	2.00 pm (Melbourne time)
Place:	Via virtual technology

IMPORTANT INFORMATION

COVID-19 arrangements

Hydrix Limited (**Hydrix** or the **Company**) advises that it will hold its 2020 Annual General Meeting of shareholders on Friday 11 December 2020 at 2.00 pm (**AGM** or **Meeting**).

The safety of Hydrix's shareholders, employees and other stakeholders is the Company's highest priority. At the date of this notice, the COVID-19 situation remains volatile and uncertain. Based on up-to-date information available to the Board at the time of this notice, the Company has determined to conduct the Meeting virtually. There will not be a physical venue for Shareholders to attend.

The Meeting will be webcast via the Lumi platform. Shareholders will be able to view the AGM live and to also ask questions and cast direct votes at the appropriate times whilst the Meeting is in progress.

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), you may do so:

(a) From your computer, by entering the URL into your browser: https://web.lumiagm.com/358990866

(b) From your mobile device:

  (i) by entering the URL into your browser: https://web.lumiagm.com/358990866 ; or

  (ii) by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

If you choose to participate in the AGM online or through the app, you can log in to the meeting by entering:

1. Your username, which is your Voting Access Code (**VAC**). This can be located on the first page of your proxy form or Notice of Meeting email; and
2. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Virtual Meeting User Guide for their password details.

If you have been nominated as a third party proxy, please contact Boardroom on 1300 737 760 or via enquiries@boardroomlimited.com.au.

Further information on how to participate in the Meeting is provided in the Virtual Meeting User Guide, which you can access at: https://www.hydrix.com/virtual-meeting-guide.

Questions from Shareholders

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2020, or the content of its audit report. Please send your questions via email to:

The Company Secretary
Hydrix Limited
Alyn.tai@hydrix.com

Written questions must be received by no later than **5.00pm (Melbourne time)** on **Friday 4 December 2020**.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

You may also submit your questions and comments online during the Meeting via the Lumi platform (if you are participating on your computer), or via the Lumi AGM app (if you are participating on your mobile phone or device).

The Chairman of the Meeting will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the meeting to address all of the questions and comments raised. Please note that individual responses may be sent to the enquiring party only, and may not be sent to all shareholders.

VOTING INFORMATION

Entitlement to vote at the Annual General Meeting

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations 2001* that that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at **7.00pm (Melbourne time)** on **Wednesday 9 December 2020**, subject to any applicable voting exclusion.

Voting on all items of business will be conducted on a poll. You may vote live and online during the Meeting using the Lumi platform (if you are participating on your computer), or the Lumi app (if you are participating on your mobile phone or device). Further information on how to vote using Lumi is set out in the Virtual Meeting User Guide, which you can access at https://www.hydrix.com/virtual-meeting-guide.

The Chairman of the Meeting will open the poll at the beginning of the Meeting and the poll will remain open until the close of the Meeting.

Voting by proxy

(a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the shareholder.

(b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the Meeting.

(c) A proxy need not be a shareholder of the Company.

(d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.

(e) A proxy form accompanies this Notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **2.00 pm (Melbourne time)** on **Wednesday 9 December 2020** at the share registry, being Boardroom Pty Limited, as follows:

Online	https://www.votingonline.com.au/hydrixagm2020
By post	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
By facsimile	+61 9290 9655

Proxy voting by the Chairman

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (or voting undirected proxies) on, amongst other things, remuneration matters.

However, the chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business, save for in relation to Resolution 5 (explained below).

Resolutions 1 and 7

If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chairman to exercise your proxy on Resolutions 1 and 7.

In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 7. If you wish to appoint the Chairman of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the Proxy Form.

If you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 and 7, he or she will not vote your proxy on those resolutions.

Resolution 5

For the reasons explained in this Notice, the Board considers it appropriate for the Chairman to abstain from exercising his undirected proxies on Resolution 5.

If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on Resolution 5 on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast on Resolution 5, the Chairman will not vote your proxy on Resolution 5.

The Board encourages any Shareholders wishing to appoint the Chairman as their proxy to vote on Resolution 5, to direct him how to vote on that resolution by ticking the appropriate boxes on the Proxy Form.

NOTICE OF 2020 ANNUAL GENERAL MEETING

Notice is given that the 2020 Annual General Meeting
of Hydrix Limited ACN 060 369 048 (the **Company**)
will be held via virtual technology on Friday 11 December 2020 at 2.00 pm (Melbourne time)

BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Annual General Meeting.

Financial and related reports

Item 1	**Financial and related reports**
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2020.

Adoption of Remuneration Report (non-binding resolution)

Resolution 1	**Adoption of Remuneration Report (non-binding resolution)**
Description	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2020 Annual Report and is available from the Company's website (https://www.hydrix.com). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an **ordinary resolution**: *"**THAT** the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2020 be adopted."*
Voting Exclusion	The Company will disregard any votes cast on this resolution: (a) by or on behalf of a member of Key Management Personnel named in the remuneration report for the year ended 30 June 2020, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; and (b) as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on this resolution: (c) in accordance with the directions of how to vote on the Proxy Form; or (d) by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

Re-election of Director

Resolution 2	Re-election of Ms Joanne Bryant as Director
Description	Ms Joanne Bryant, who was appointed as a Director on 29 November 2016, retires as a Director in accordance with rule 3.6(a) of the Company's Constitution and, being eligible, offers herself for re-election.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an **ordinary resolution**: *"**THAT** Ms Joanne Bryant, who retires as a Director in accordance with ASX Listing Rule 14.5 and rule 3.6(a) of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."*

Ratification of previous issue of securities

Resolution 3	Ratification of issue of Tranche 1 Placement Shares
Description	The Company seeks Shareholder approval under ASX Listing Rule 7.4 for the prior issue of Tranche 1 Shares under the Placement.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an **ordinary resolution**: *"**THAT** for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 28,571,429 Shares under the Tranche 1 Placement on 6 November 2020, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by or on behalf of: (a) any person who participated in the issue of the Tranche 1 Placement Shares; or (b) an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by: (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval for issue of securities

<table>
<tr><th>Resolution 4</th><th>Approval for issue of Tranche 2 Placement Shares</th></tr>
<tr><td>Description</td><td>The Company seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of Tranche 2 Shares under the Placement.</td></tr>
<tr><td>Resolution (Ordinary)</td><td>To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 7,142,857 Shares under the Tranche 2 Placement, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</td></tr>
<tr><td>Voting Exclusion</td><td>The Company will disregard any votes cast in favour on this resolution by:

(a) any person who may participate in the proposed issue of the Tranche 2 Placement Shares; and

(b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this resolution is passed; and

(c) any associates of the persons named in sub-paragraphs (a) and (b).

However, this does not apply to a vote cast in favour of a resolution by:

(d) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

(e) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

(f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</td></tr>
</table>

Approval for variation of Warrant terms

Resolution 5	**Approval for variation of Warrant terms under Facility Agreement**
Description	The Company seeks Shareholder approval under ASX Listing Rule 6.23.4 for the variation of the Refinance Facility Warrant terms.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an **ordinary resolution**: *"**THAT** for the purposes of ASX Listing Rule 6.23.4 and for all other purposes, Shareholders approve the proposed amendments to the Refinance Facility Warrant terms under the Facility Amendment Deed, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*
Voting Exclusion	The Company will disregard any votes cast in favour on this resolution by: (a) the holder of the Refinance Facility Warrant (being the Lender); or (b) an associate of the holder of the Refinance Facility Warrant. However, this does not apply to a vote cast in favour of a resolution by: (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Approval of 10% Placement Capacity

Resolution 6	Approval of 10% Placement Capacity
Description	The Company seeks approval of shareholders to be able to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its 15% Placement Capacity under ASX Listing Rule 7.1.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a **special resolution**: *"**THAT** for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10% of its issued Equity Securities by way of placements over a 12-month period, on such terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice."*
Voting Exclusion	N/A. As at the date of this Notice, the Company has no plans to issue Equity Securities under ASX Listing Rule 7.1A.

Approval for issue of Performance Rights to Gavin Coote under LTIP

Resolution 7	Approval for issue of Performance Rights to Gavin Coote under LTIP
Description	The Company seeks Shareholder approval for the issue of Performance Rights to Mr Gavin Coote, the Company's Chairman, in relation to FY21.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an **ordinary resolution**: *"**THAT**, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 500,000 Performance Rights in relation to FY21, each to acquire 1 Share in the Company, to Mr Gavin Coote (or his nominee(s)), and the issue of underlying Shares in respect of those Performance Rights, pursuant to the Long Term Incentive Plan and on the terms set out in the Explanatory Memorandum accompanying this Notice."*
Voting Exclusion	The Company will disregard any votes cast: (a) in favour of the resolution by a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP, or an associate of that person; and (b) on the resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. However, this does not apply to a vote cast on the resolution by: (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

	(e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 12 November 2020

By order of the Board of Hydrix Limited

Alyn Tai
Company Secretary

EXPLANATORY MEMORANDUM
TO NOTICE OF 2020 ANNUAL GENERAL MEETING

Financial and related reports

Item 1	Financial and related reports
Explanation	Section 317 of the Corporations Act requires the Company's financial report, Directors' report and auditor's report for the financial year ended 30 June 2020 to be laid before the Company's 2020 Annual General Meeting. There is no requirement for a formal resolution on this item. The financial report contains the financial statements of the consolidated entity consisting of Hydrix Limited and its controlled entities. As permitted by the Corporations Act, a printed copy of the Company's 2020 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2020 Annual Report is available from the Company's website (https://www.hydrix.com/). The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2020, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Grant Thornton in relation to the conduct of the audit.

Adoption of Remuneration Report (non-binding resolution)

Resolution 1	Adoption of Remuneration Report (non-binding resolution)
Explanation	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2020 Annual Report and is available from the Company's website (https://www.hydrix.com/). The Remuneration Report: ▪ describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance; ▪ sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and ▪ explains the differences between the basis for remunerating Non-Executive Directors and senior executives, including the Executive Chairman. The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

Re-election of Director

Resolution 2	Re-election of Ms Joanne Bryant as Director
Explanation	Rule 3.6(a) of the Company's constitution requires one third of the Directors (rounded to the whole number nearest to one third), other than the Managing Director (or equivalent), to retire at each annual general meeting of the Company. Under rule 3.7 of the constitution, the Directors to retire under rule 3.6 are those who have held office as Director for the longest period of time since their last election to office, or in the event that two or more Directors have held office for the same period of time, those Directors determined by lot. Ms Joanne Bryant retires as Director in accordance with rule 3.6(a) of the constitution, being the Director longest in office since their last election in accordance with rule 3.7 of the constitution. Ms Bryant, being eligible, offers herself for re-election as a Director.
About Ms Joanne Bryant	Ms Joanne Bryant was first appointed to the Board as a Non-Executive Director on 29 November 2016. Ms Bryant brings more than 40 years of experience in the health sciences as an occupational therapist, trainer and vocational specialist and uses this experience to provide expert forensic opinion to the Victorian court system. Ms Bryant is a Member of the Australian Association of Occupational Therapists, Australian Institute of Company Directors and a Director of NFP Outside the Locker Room. She has owned and managed a small business since 2006, contributing this experience and knowledge to her board work. She also manages a small privately owned investment company.
Board Recommendation	The Board, with Ms Bryant abstaining on making a recommendation, recommends that shareholders vote in favour of Resolution 2.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

Ratification of previous issue of securities

Resolution 3	Ratification of issue of Tranche 1 Placement Shares
Explanation	The Company seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for a previous issue of securities made by the Company during the last 12 months under: ▪ ASX Listing Rule 7.1, which provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue Equity Securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period without shareholder approval (**15% Placement Capacity**); and ▪ ASX Listing Rule 7.1A, which enables the Company to issue Equity Securities of up to an additional 10% of its issued capital over a 12 month period, in addition to its ability to issue Equity Securities under its 15% Placement Capacity (**10% Placement Capacity**). ASX Listing Rule 7.4 sets out an exception to the limitations on the Company's

	capacity to issue Equity Securities pursuant to its 15% Placement Capacity and 10% Placement Capacity, by permitting the ratification of previous issues of Equity Securities which were not made under a prescribed exception under ASX Listing Rule 7.2 or with shareholder approval. If shareholders of a company approve the ratification of such previous issues of Equity Securities at a general meeting, those Equity Securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1. Accordingly, if shareholders ratify the previous issue of Equity Securities made by the Company by way of approving Resolution 3, those Equity Securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and will no longer be deducted from the Company's 15% Placement Capacity or 10% Placement Capacity (as applicable).
Background	As announced to the ASX on 30 October 2020, the Company has conducted a capital raising of $10 million via a Placement of 35,714,286 Shares to sophisticated and institutional investors, at an issue price of $0.28. The Placement consists of two tranches: ▪ **Tranche 1 Placement**: 28,571,429 Shares were issued on 6 November 2020, raising a total of $8 million. ▪ **Tranche 2 Placement**: 7,142,857 Shares are proposed to be issued under Tranche 2 of the Placement, to raise a total of $2 million. The Company is seeking shareholder approval under ASX Listing Rule 7.1 for the issue of the Tranche 2 Shares (refer to Resolution 4). Settlement of the Tranche 2 Placement will occur after the Meeting on or around Wednesday 16 December 2020, with allotment to occur on Thursday 17 December 2020. The Tranche 1 Placement Shares were issued using the Company's available placement capacities under ASX Listing Rules 7.1 and 7.1A. Specifically: ▪ 18,617,575 Shares were issued under the Company's 15% Placement Capacity; and ▪ 9,953,854 Shares were issued under the Company's 10% Placement Capacity. The Company seeks shareholder ratification for the issue of the 28,571,429 Tranche 1 Placement Shares under Listing Rules 7.1 and 7.1A, in accordance with ASX Listing Rule 7.4.
Specific information for Resolution 3	In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to shareholders: **No. of securities issued**: 28,571,429 Shares, comprising: ▪ 18,617,575 Shares issued under the Company's 15% Placement Capacity; and ▪ 9,953,854 Shares issued under the Company's 10% Placement Capacity. **Issue price**: $0.28 per Share

	Recipients of issue	Sophisticated and institutional investors who subscribed to the Placement, as introduced to the Company by Bell Potter Securities Limited and Henslow Pty Ltd (the Lead Manager and Co-Manager of the Placement, respectively).
	Use of funds raised	As detailed in the Company's announcement dated 30 October 2020, the Placement funds raised will be (or have been) used to: ▪ Support the implementation of key market development initiatives to distribute the AngelMed Guardian® System, the Phyzhon Health PHYRARI FFR-WIRE product, and other Hydrix Medical initiatives; ▪ Support Hydrix Services' growth initiatives intended to drive revenue pipeline conversions and new product design and engineering development projects with Australian and overseas clients; and ▪ Pay down all outstanding debt under the Facility Agreement.
	Voting exclusion statement	A voting exclusion statement applies to this item of business, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of Resolution 3. As explained above, the effect of shareholder approval for Resolution 3 is the reinstatement of the Company's 15% Placement Capacity and 10% Placement Capacity. Although the Directors do not (save for as otherwise set out in this Notice) currently have any specific intention to make any further issue of Shares without approval of shareholders under ASX Listing Rule 7.1 in the next 12 months, unless such issue falls under an exception to the 15% threshold in ASX Listing Rule 7.2, the Directors believe that it is in the best interests of the Company to maintain its ability to issue securities under its 15% Placement Capacity and 10% Placement Capacity, as this will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so. In particular, the Directors note that if shareholder approval for Resolution 3 is not obtained at the Meeting, the Company may be required to incur additional costs and delay of convening an extraordinary general meeting of the Company if the Directors propose to issue securities which do not fall under an exception to the 15% rule in ASX Listing Rule 7.2.	
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.	

Approval for issue of securities

Resolution 4	Approval for issue of Tranche 2 Placement Shares
Explanation	Resolution 4 seeks shareholder approval under ASX Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares, without using the Company's 15% Placement Capacity.
Specific information for Resolution 2	In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders: **Maximum no. of securities issued**: 7,142,857 Shares **Date by which securities will be issued**: The Company intends to issue the Tranche 2 Placement Shares on or around 17 December 2020, and in any event within 3 months from the date of the Meeting. **Issue price per security**: $0.28 per Share **Recipients of issue**: An institutional investor which subscribed to the Placement, as introduced to the Company by the Lead Manager of the Placement, Bell Potter Securities Limited. **Use of funds raised**: As detailed in the Company's announcement dated 30 October 2020, the Placement funds raised will be (or have been) used to: ▪ Support the implementation of key market development initiatives to distribute the AngelMed Guardian® System, the Phyzhon Health PHYRARI FFR-WIRE product, and other Hydrix Medical initiatives; ▪ Support Hydrix Services' growth initiatives intended to drive revenue pipeline conversions and new product design and engineering development projects with Australian and overseas clients; and ▪ Pay down all outstanding debt under the Facility Agreement. **Voting exclusion statement**: A voting exclusion statement applies to this item of business, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of Resolution 4.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.

Approval for variation of warrant terms under Facility Agreement

Resolution 5	Approval for variation of warrant terms under Facility Agreement
Explanation	Resolution 5 seeks shareholder approval pursuant to ASX Listing Rule 6.23.4 to vary the terms of the Refinance Facility Warrant issued to the Lender, Pure Asset Management Pty Ltd, under the Facility Agreement. Under ASX Listing Rule 6.23.4, a change to the exercise price or number of underlying securities of an option (in this case, the Refinance Facility Warrant) can only be made if holders of the Company's ordinary securities approve the change.
What is the Refinance Facility Warrant?	Under the Facility Agreement, the Lender provided the Company with a loan of $4 million in December 2019, with a term of 48 months from the date of drawdown. The terms of the Facility Agreement are detailed in the Company's notice of 2019 annual general meeting. The Refinance Facility Warrant was issued to the Lender under the terms of the Facility Agreement. The Refinance Facility Warrant is exercisable into **8,000,000** Shares during the 48 month period commencing 17 December 2019, upon payment of the exercise price per Share (**Refinance Facility Warrant Exercise Price**), which is to be calculated in accordance with the Warrant Deed (as explained below).
What are the proposed changes to the Refinance Facility Warrant under Resolution 5?	The current terms of the Refinance Facility Warrant, and details of the changes proposed to the Refinance Facility Warrant terms, are set out in the Appendix. In summary, and based on prevailing circumstances, the changes (if approved by Shareholders) have the effect of reducing the Refinance Facility Warrant Exercise Price payable to Hydrix by the Lender (if it wishes to exercise the warrant).
Why is Hydrix seeking to amend the terms of the Refinance Facility Warrant under this Resolution 5?	The Facility Agreement (dated 15 November 2019) contained certain financial covenants and reporting requirements which Hydrix was required to comply with. In addition, the Facility Agreement required Hydrix to pay certain prepayment fees, where prepayments were made by Hydrix prior to the loan maturity date of December 2023. At the time that the Facility Agreement was entered into in November 2019, the Company considered the terms of the Facility Agreement to be appropriate, given prevailing circumstances (including Hydrix's ability to raise the required capital from other sources). Subsequent to the date of the Facility Agreement (and the onset of the COVID-19 pandemic), the Company sought to negotiate more favourable financing terms with the Lender, including to ensure that the financing covenants were adjusted to reflect Hydrix's (then existing) business constraints, and the anticipated financial impact of COVID-19. As a result of these negotiations, Hydrix and the Lender agreed to vary the Facility Agreement by entering into a Facility Amendment Deed dated 30 June 2020[1]. This enabled the Company to secure more favourable financing terms under the Facility Agreement, including: ▪ a reduction and simplification of financial covenants and reporting requirements under the Facility Agreement; and ▪ a waiver of prepayment fees under the Facility Agreement (which would ordinarily have been payable where prepayments were made by Hydrix after its 2020 AGM, but prior to the loan maturity date of December 2023)

[1] The terms of the Facility Amendment Deed are detailed in the Company's prospectus dated 6 July 2020.

	(**Prepayment Fee Waiver**); this Prepayment Fee Waiver was subject to Hydrix obtaining shareholder approval at its 2020 AGM to amend the terms of the Refinance Facility Warrant. In exchange, Hydrix agreed (amongst other things) to seek approval from Shareholders to amend the terms of the Refinance Facility Warrant, in accordance with this Resolution 5 (**Shareholder Resolution 5 Approval**). Hydrix is therefore seeking Shareholder Resolution 5 Approval, in order to meet its contractual obligation to seek such approval, under the Facility Amendment Deed.
Are there any other matters Shareholders should be aware of in considering how to vote on Resolution 5?	Shareholders are advised that, as at the date of this Notice, the Company has provided notice to the Lender of its intention to repay all outstanding amounts owing under the Facility Agreement, out of the proceeds from the Placement. It is expected that these outstanding amounts will be fully repaid by Hydrix prior to the Meeting, on 16 November 2020 (**Repayment Date**). Shareholders should therefore be aware that: ▪ the Facility Agreement will no longer be on foot from the Repayment Date (meaning that Hydrix will generally no longer owe any obligations to the Lender from that date, save for any standard surviving obligations); and ▪ as the Repayment Date will occur prior to the Company's 2020 AGM, the Prepayment Fee Waiver will not apply, and the Company is required to make payment of the relevant prepayment fees to the Lender on the Repayment Date. Shareholders should also be aware of the consequences of Resolution 5 being approved (or not approved, as the case may be) - particularly as these consequences relate to Shareholder dilution, and the Company's cash position. Below is a summary of the consequences of Shareholders approving (or not approving, as the case may be) Resolution 5.
Consequences of Shareholders approving (or not approving) Resolution 5	**If Resolution 5 is approved by Shareholders:** ▪ The way in which the Refinance Facility Exercise Price per Share is calculated will be changed, as detailed in the Appendix. In particular, the Refinance Facility Exercise Price may be calculated based on the issue price of Hydrix's July 2020 pro-rata entitlement issue of Shares (**July Entitlement Offer**), being 7.5 cents. On this basis, the Company has calculated the current Refinance Facility Exercise Price per Share to be approximately 8.7 cents per Share. ▪ If the Lender exercises the Refinance Facility Warrant at this price, Hydrix would be required to issue the Lender with 8 million new Shares at 8.7 cents per Share, raising the Company a total of approximately **$0.692 million** (i.e. $1.73 million less than what the Company would raise if Resolution 5 is not approved and the exercise price is calculated as per below)**.** Hydrix notes that 8 million Shares represents approximately **5%** of the Company's post-Tranche 2 Placement expanded Share capital. **If Resolution 5 is not approved by Shareholders:** ▪ The current definition of "Refinance Facility Exercise Price" will continue to apply, and the July Entitlement Offer issue price of 7.5 cents per Share may not be used as a basis for calculating the Refinance Facility Exercise Price. ▪ Rather, the Refinance Facility Exercise Price will, immediately after the Meeting, be calculated on the basis of the Placement price of 28 cents per Share. On this basis, the Company has calculated the Refinance Facility Exercise Price per

	Share to be approximately 31 cents per Share. ▪ If the Lender exercises the Refinance Facility Warrant at this price, Hydrix would be required to issue the Lender with 8 million new Shares at 31 cents per Share, raising the Company a total of approximately **$2.48 million** (vs $0.692 million where Resolution 5 is approved). **Are there any other consequences which Shareholders should be aware of, if Resolution 5 is approved (or not approved, as the case may be?)** If Shareholders do not approve Resolution 5 at the Meeting, a non-approval fee computed at the rate of 7% per annum on the outstanding amounts under the Refinance Facility Loan, accruing daily during the period commencing 1 August 2020 and ending on the date of the Meeting, will be payable after the Meeting. Assuming that the Refinance Facility Loan is fully repaid on the Repayment Date of 16 November 2020, this non-approval fee will be approximately $66,692. If Shareholder Resolution 5 Approval is obtained, the non-approval fee will not have to be paid by Hydrix.
Board recommendation and Chairman's available proxies	Having considered the best interests of Shareholders, and the Company's obligation under the Facility Amendment Deed to seek Shareholder Resolution 5 Approval, the Board does not consider it appropriate to make a recommendation to Shareholders on how to vote on Resolution 5. In addition, the Board considers it appropriate for the Chairman to abstain from exercising his undirected proxies on this Resolution 5. Instead, the Board has chosen to provide detailed information in this Notice to Shareholders to assist them in making an informed voting determination on Resolution 5. If you complete a Proxy Form that authorises the Chairman of the Meeting to vote on Resolution 5 on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast on Resolution 5, the Chairman will not vote your proxy on Resolution 5. The Board encourages any Shareholders wishing to appoint the Chairman as their proxy to vote on Resolution 5, to direct him how to vote on that resolution by ticking the appropriate boxes on the Proxy Form.
Voting Exclusion	A voting exclusion statement applies to this resolution, as set out in the Notice.

Approval of 10% Placement Capacity

<table>
<tr><th>Resolution 6</th><th>Approval of 10% Placement Capacity</th></tr>
<tr><td>General</td><td>Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (10% Placement Capacity).

The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Company, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using its 15% placement capacity under ASX Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</td></tr>
<tr><td>Eligibility</td><td>ASX-listed entities which have a market capitalisation of $300 million or less, and which are not included in the S&P/ASX 300 Index, are eligible to seek shareholder approval under ASX Listing Rule 7.1A.

As at the date of this Notice, the Company, which has a market capitalisation of less than $300 million, is not included in the S&P/ASX 300 Index. Accordingly, the Company is eligible to seek shareholder approval under ASX Listing Rule 7.1A.</td></tr>
<tr><td>Formula</td><td>The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out ASX Listing Rule 7.1A.2 as follows:
(A x D) - E
Where:

A is the number of shares on issue at the commencement of the relevant period:
plus the number of fully paid shares issued in the relevant period under an exception in ASX Listing Rule 7.2, other than exception 9, 16 or 17,
plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4,
plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
the agreement was entered into before the commencement of the relevant period; or
the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4,
plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or 7.4,</td></tr>
</table>

	▪ plus the number of partly paid ordinary securities that became fully paid in the relevant period, ▪ less the number of equity securities cancelled in the relevant period. 'A' has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity **D** is 10%. **E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4. 'Relevant period' means the 12 month period immediately preceding the date of the issue or agreement.
Conditions of issue under the 10% Placement Capacity	There are a number of conditions applicable to the issue of Equity Securities under ASX Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows: (a) Equity Securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company has two classes of securities which are quoted, being fully paid ordinary shares and HYDO listed options. (b) The price of each Equity Security issued under the 10% Placement Capacity must be issued for a cash consideration per security which is not less than 75% of the volume weighted average price (**VWAP**) for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either: i. the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or ii. if the Equity Securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.
Period of validity of shareholder approval	In the event that the Company obtains shareholder approval of Resolution 6, such approval will commence on the date of this Meeting, and will cease to be valid upon the earlier of: (a) 12 months after the date of this Annual General Meeting; (b) the time and date of the Company's next annual general meeting; or (c) if applicable, the time and date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2. (**Placement Period**)
Information to be provided to shareholders under ASX Listing Rule 7.3A	
Minimum issue price	The issue price of each Equity Security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:

	i. the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or ii. if the Equity Securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.
Risk of dilution to shareholders	If Resolution 6 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that: ▪ the market price of the Company's Equity Securities may be significantly lower on the relevant issue date than on the date of the Meeting; and ▪ the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date. The table below shows the potential dilution of existing shareholders under various scenarios on the basis of: ▪ an issue price of $0.32 per Share which was the closing price of the Company's Shares on the ASX on 5 November 2020; and ▪ the variable 'A' being calculated as the number of fully paid ordinary shares on issue as at the date of this Notice, being 155,235,099. The table also shows: (a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under ASX Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and (b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		**Dilution**		
		50% decrease in issue price *$0.16*	**Issue price *$0.32***	**100% increase in issue price *$0.64***
Current Variable 'A' 155,235,099 shares	**10% voting dilution**	15,523,509 shares	15,523,509 shares	15,523,509 shares
	Funds raised	$2,483,761	$4,967,523	$9,935,046
50% increase in current Variable 'A' 232,852,649	**10% voting dilution**	23,285,264 shares	23,285,264 shares	23,285,264 shares
	Funds raised	$3,725,642	$7,451,284	$14,902,569
100% increase in current Variable 'A' 310,470,198	**10% voting dilution**	31,047,019 shares	31,047,019 shares	31,047,019 shares
	Funds raised	$4,967,523	$9,935,046	$19,870,092

The table has been prepared on the following assumptions:

	(a) the Company issues the maximum number of shares available under the 10% Placement Capacity; (b) no options to acquire shares on issue in the Company are exercised; (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue; (d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting. (e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with ASX Listing Rule 7.1A and not under the 15% placement capacity under ASX Listing Rule 7.1. (f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares. (g) the issue price is $0.32, being the closing price of the Company's shares on the ASX on 5 November 2020.
Period of validity	The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
Purpose for which the funds may be used	The Company may seek to issue the Equity Securities for cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1.A and for general working capital. The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
Allocation policy	The Company may not issue any or all the Equity Securities for which approval is given and may issue the Equity Securities progressively as the Company places the Equity Securities with investors. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors such as: 1. fund raising options (and their viability) available to the Company at the relevant time; 2. the effect of the issue of the Equity Securities on the control of the Company; 3. the financial situation of the Company and the urgency of the requirement for funds; and 4. advice from the Company's corporate, financial, legal and broking advisers. The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.

	The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company. In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of this Resolution.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

The table below shows the number and type of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting under the 10% Placement Capacity, and the percentage they represent of the total number of Equity Securities on issue as at 11 December 2019 (being 761,221,581*).

Date of issue	**Class of Equity Securities**	**No. issued**	**Reason for issue**	**Recipient of issue**	**% represented of total number of Equity Securities**	**Issue price per security**	**Discount/ premium to market price**	**Total cash consideration**	**Amount of proceeds spent by Company**	**Use / intended use of funds**
06/11/20	Shares	9,953,854	Placement to sophisticated and institutional investors	Various sophisticated and institutional investors	13.07%	$0.28	13.9%	$2,787,079	None as at the date of this notice	Funds raised to support rollout of AngelMed Guardian System and Phyzhon Health's guidewire product, to pay down all outstanding secured debt ($3.25m), and for general working capital to facilitate growth.
TOTAL		**9,953,854**			**13.07%**			**$2,787,079**		

The Company conducted a 10:1 share consolidation on 19 December 2019. On a post-consolidation basis, the issued share capital on 11 December 2019 would have been 76,122,158 shares

Approval for issue of Performance Rights to Gavin Coote under LTIP

Resolution 7	Approval for issue of Performance Rights to Gavin Coote under LTIP
Explanation	The Company seeks shareholder approval under Resolution 7 for the issue of Performance Rights under the LTIP to Mr Gavin Coote (Executive Chairman) or his respective nominees.
ASX Listing Rules	The Company is required by ASX Listing Rule 10.14 to obtain shareholder approval to grant securities, including Performance Rights, to Directors under the LTIP. In accordance with the ASX Listing Rules, Shareholders are being asked under Resolution 7 to approve the grant of the Performance Rights to Mr Coote under the LTIP, and to the extent those Performance Rights vest, the underlying Shares. Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. This means that, if Shareholder approval is obtained for Resolution 7, approval is not required for the purposes of ASX Listing Rule 7.1.
Approval not sought under Chapter 2E of the Corporations Act	For the purposes of Chapter 2E or the Corporations Act, Mr Coote is a related party of the Company, and the issue of Performance Rights to him constitutes the provision of a “financial benefit” by the Company. The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of shareholders or where an exception applies. One exception to the general rule is where the benefit constitutes “reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company. The Directors consider that the granting of the Performance Rights to Mr Coote constitutes reasonable remuneration, given both the Company’s circumstances and the responsibilities involved in Mr Coote’s role within the organisation. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Directors do not consider the Company is required to seek shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give Mr Coote the financial benefit that is inherent in the issue of the Performance Rights.
Terms of Performance Rights	**Performance Period** Of the 500,000 Performance Rights proposed to be issued to Mr Coote under Resolution 7: ▪ 250,000 Performance Rights will vest after the performance period between 1 July 2020 and 30 June 2021, subject to satisfaction of the Vesting Conditions described below (**First Tranche**). ▪ 250,000 Performance Rights will vest after the performance period between 1 July 2020 and 30 June 2022, subject to satisfaction of the Vesting Conditions described below (**Second Tranche**). **Vesting Conditions** The vesting of Performance Rights will be subject to the following conditions being met:

	▪ Mr Coote's fulfilment of key performance hurdles prescribed by the Board, which will be tested over FY2021 (1 July 2020 – 30 June 2021). The performance hurdles are based on financial, operational, corporate governance, strategic planning and business development targets set by the Board, including with respect to achieving market milestone guidance; implementing a robust corporate governance framework; establishing an updated strategic plan and FY2022 budget; and maintaining and building effective relationships with strategic partners and stakeholders. The Board will assess the achievement of the performance hurdles after the end of FY2021, on the basis of the Company's audited annual accounts for that financial year; ▪ with respect to the First Tranche, Mr Coote remaining as a Director of the Company until 30 June 2021; and ▪ with respect to the Second Tranche, Mr Coote remaining as a Director of the Company until 30 June 2022. **Issue of Shares** Subject to the satisfaction of the Vesting Conditions, Mr Coote will receive one Share in the Company for each vested Performance Right. No cash consideration will be payable for the issue of the Performance Rights, or on the issue of the underlying Shares upon the vesting of the Performance Rights.
Other terms of Performance Rights issued under Resolution 7	Subject to the ASX Listing Rules, in circumstances of death or disability, any unvested Performance Rights will vest on a pro rata basis based on the proportion of the Performance Period which has elapsed as at the date of death or disability. In the event of a change of control in relation to the Company, and subject to the terms of the LTIP, unvested Performance Rights will vest on the date of the change of control. The Performance Rights issued will not be listed on ASX and will not be transferable, except as permitted under the LTIP.
Specific information required by ASX Listing Rule 10.15	For the purposes of the approvals sought under ASX Listing Rule 10.14 and in accordance with the requirements of ASX Listing Rule 10.15 and for all other purposes, the following information is provided to shareholders in respect of the proposed grant of Performance Rights to Mr Coote under Resolution 7. (a) **Name of recipient:** Mr Gavin Coote, who is a Director of the Company and therefore falls within ASX Listing Rule 10.14.1. (b) **Number of securities to be issued:** 500,000 Performance Rights (c) **Details of Mr Coote's current total remuneration package:** Mr Coote's total fixed remuneration for his executive services under hid employment agreement is $328,500 per annum (inclusive of superannuation). Mr Coote's remuneration for his executive services is in addition to the fee of $60,000 per annum (inclusive of superannuation) that Mr Coote is currently entitled to receive (and will continue to receive) for his roles and responsibilities as Chairman and Director of the Company.

(d) **The number of securities previously issued to Mr Coote under the LTIP and the average acquisition price:**

Mr Coote has received the following securities under the LTIP:

- 10,000,000* Performance Rights in relation to FY18 and FY19, on 12 December 2017; and

- 5,000,000* Performance Rights in relation to FY20, on 17 December 2019.

All Performance Rights were issued to Mr Coote for nil cash consideration under the LTIP.

(e) **Terms of performance rights**:

As above.

(f) **Reason why Performance Rights have been selected for the issue:**

The Company has determined to utilise performance rights as a mechanism to provide long term incentives to key executives such as Mr Coote, on the basis that performance rights (as compared to other types of equity securities) motivate executives to take a long-term view of the Company's performance, and links reward to investors' experience.

In addition, the Company considers that the performance period of two years is consistent with the Board's objectives of driving a sustainable business, growing shareholder value and retaining talented executives.

(g) **Value attributed to the Performance Rights:**

The face value attributed to the Performance Rights is $0.10, which is based on the 30 day volume weighted average price of Hydrix shares in June 2020.

(h) **Price**:

No consideration will be payable for the grant of the Performance Rights under the LTIP to Mr Coote, or for the issue of underlying Shares upon vesting of the Performance Rights.

(i) **No Loans**:

No loans are proposed to be provided in relation to the acquisition of the Performance Rights under Resolution 7.

(j) **Date of issue**:

Subject to shareholder approval, the Performance Rights will be issued to Mr Coote as soon as possible after the Meeting, or in any event within 12 months from the date of the Meeting.

(k) **Summary of the LTIP**

A summary of the material terms of the LTIP are set out in the Company's 2019 notice of annual general meeting, which was lodged with ASX on 15 November 2019.

Details of any securities issued under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement

	that their approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved, and who were not named in the notice of meeting, will not participate until approval is obtained under that Listing Rule. **These figures are on a pre-consolidation basis.*
Voting Exclusion	A voting exclusion statement applies to each of Resolution 7, as set out in the Notice.
Board Recommendation	Mr Coote declines to make a recommendation to shareholders in relation to Resolution 7 due to his interest in the outcome of the resolution. The other Directors, who do not have an interest in the outcome of this resolution, recommend that shareholders vote in favour of Resolution 7.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 7.

DEFINITIONS

10% Placement Capacity	Means the Company's capacity to issue shares under ASX Listing Rule 7.1A.
15% Placement Capacity	Means the Company's capacity to issue shares under ASX Listing Rule 7.1.
ASIC	Means the Australian Securities and Investments Commission.
ASX	Means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).
Board	Means the board of Directors of the Company.
Corporations Act	Means the *Corporations Act 2001* (Cth).
Company or **Hydrix**	Means Hydrix Limited ACN 060 369 048.
Constitution	Means the constitution of the Company.
Closely Related Party (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means: a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition.
Director	means a director of the Company.
Equity Security	Means: a) a share; b) a right to a share or option; c) an option over an issued or unissued security; d) a convertible security; e) any security that ASX decides to classify as an equity security.
Facility Agreement	Means the facility agreement dated 15 November 2019 (as amended under a deed of amendment dated 30 June 2020) between the Lender, the Company and its subsidiaries.
Key Management Personnel or **KMP**	Means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Lender	Means Pure Asset Management Pty Ltd ABN 46 616 178 771 in its capacity as trustee for The Income and Growth Fund.
LTIP	Means the Company's Long Term Incentive Plan.
Placement	Means the placement of 35,714,286 Shares announced by Hydrix to the ASX on 30 October 2020, comprising the Tranche 1 Placement and Tranche 2 Placement.
Share	Means a fully paid ordinary share in the capital of the Company.
Tranche 1 Placement	Means the first tranche of 28,571,429 Shares issued by Hydrix under the Placement on 6 November 2020, and "**Tranche 1 Placement Shares**" has a corresponding meaning.
Tranche 2 Placement	Means the second tranche of 7,142,857 Shares the subject of Resolution 4 to be issued by Hydrix under the Placement, and "**Tranche 2 Placement Shares**" has a corresponding meaning.

Appendix

Proposed changes to Refinance Facility Warrant Exercise Price (Resolution 5)

Terms of current Refinance Facility Warrant	*In December 2019, the Company issued the Refinance Facility Warrant to the Lender under the Facility Agreement. The terms of the Refinance Facility Warrant are governed by a warrant deed between the Company and the Lender, and were disclosed in the Company's notice of 2019 annual general meeting (**Warrant Deed**).* *Under the terms of the Warrant Deed, the Refinance Facility Warrant is exercisable into 8,000,000 new Shares (each a **Refinance Facility Warrant Share**) at the Refinance Facility Exercise Price per Share, being the lower of:* (a) $0.50 (or as otherwise adjusted for reorganisations of capital); and (b) *the Theoretical Ex-Rights Price (**TERP**) per Share of any new issue of Shares where the total number of Shares on issue as a result of the new issue results in the Company's total share capital increasing by more than 15% (whether as a result of one issuance or a series of related-issuances) when compared with the Company's total share capital immediately prior to that new issue of Shares, and* *where paragraph (b) above does not apply to new issues of Shares occurring before 1 July 2020 or made under an exception set out in ASX Listing Rule 7.2.* *The "**TERP**" is defined under the Warrant Deed as:* $$\frac{\text{Hydrix market capitalisation prior to rights issue + total capital raised from rights issue}}{\textit{Number of Hydrix shares on issue immediately after issue.}}$$
Proposed amendments to terms of current Refinance Facility Warrant	The Company has agreed to seek Shareholder approval at the 2020 AGM to amend the definition of Refinance Facility Exercise Price under the Warrant Deed. The new proposed definition of Refinance Facility Exercise Price per Share is as follows: *"the lower of the following per Refinance Facility Warrant Share:* *(a) $0.50 (or as otherwise adjusted for reorganisations of capital); and* *(b) if the Company makes an issue, or series of related issuances, of Shares that results in the total number of issued Shares increasing by more than 15% (when compared with the total number of issued Shares immediately prior to that issue or series of issuances):* *i. the TERP per Share of that issue; or* *ii. in the case of a series of issuances, the volume weighted TERP per Share of those issuances, and* *Paragraph (b) applies to any new issue of Shares occurring on or after 1 June 2020 and may apply on more than one occasion."*

hydrix

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YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2.00pm (Melbourne Time) on Wednesday, 9 December 2020.**

TO VOTE ONLINE

STEP 1: VISIT https://www.votingonline.com.au/hydrixagm2020

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2.00pm (Melbourne Time) on Wednesday, 9 December 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

Online https://www.votingonline.com.au/hydrixagm2020

By Fax + 61 2 9290 9655

By Mail Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

In Person Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Hydrix Limited
ACN 060 369 048

☐ **Your Address**
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Hydrix Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **virtually on Friday, 11 December 2020 at 2.00 pm (Melbourne time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 1 and 7 even though they are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 7), save for in relation to Resolution 5. As explained in the Notice of Annual General Meeting and explanatory memorandum, the Board considers it appropriate for the Chair to abstain from exercising his undirected proxies on Resolution 5. If you appoint the Chair of the Meeting to vote on Resolution 5 on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast on Resolution 5, the Chair will not vote your proxy on Resolution 5. The Board encourages any Shareholders wishing to appoint the Chair as their proxy to vote on Resolution 5, to direct him how to vote on that resolution by ticking the appropriate boxes below.

If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report (non-binding resolution)	☐	☐	☐
Resolution 2	Re-election of Ms Joanne Bryant as Director	☐	☐	☐
Resolution 3	Ratification of issue of Tranche 1 Placement Shares	☐	☐	☐
Resolution 4	Approval for issue of Tranche 2 Placement Shares	☐	☐	☐
Resolution 5	Approval for variation of Warrant terms under Facility Agreement	☐	☐	☐
Resolution 6	Approval of 10% Placement Capacity	☐	☐	☐
Resolution 7	Approval for issue of Performance Rights to Gavin Coote under LTIP	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…………………………………………….... Contact Daytime Telephone…………………….............................. Date / / 2020