



Notice of Annual General Meeting and explanatory memorandum

Hydrix Limited

ACN 060 369 048

Date: Wednesday 30 November 2022

Time: 10.00am (Melbourne time)

Place: Holding Redlich, Level 8, 555 Bourke Street, Melbourne VIC 3000

IMPORTANT INFORMATION

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 2022, 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 **Wednesday 23 November 2022**.

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.

In accordance with the Corporations Act and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2022.

The Chairman of the Meeting will endeavour to address as many Shareholder 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 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 **Monday 28 November 2022**, subject to any applicable voting exclusion.

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 **10.00am (Melbourne time)** on **Monday 28 November 2022** at the share registry, being Boardroom Pty Limited, as follows:

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|---------------------|--|
| Online | https://www.votingonline.com.au/hydrixagm2022 |
| By post | Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 |
| By facsimile | + 61 2 9290 9655 |
| In person | Until 28 October 2022: Boardroom Pty Limited Level 12, 225 George Street From 31 October 2022: Boardroom Pty Limited Level 8, 210 George Street |

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.

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 6**.

In accordance with this express authority provided by you, the Chairman will vote in favour of **Resolutions 1 and 6**. 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 6**, he or she will not vote.

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notice is given that the 2022 Annual General Meeting of Hydrix Limited ACN 060 369 048 (the **Company**) will be held at the offices of Holding Redlich, Level 8, 555 Bourke Street, Melbourne VIC 3000 on Wednesday 30 November 2022 at 10.00am (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 |
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| 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 2022. |

Adoption of Remuneration Report (non-binding resolution)

| Resolution 1 | Adoption of Remuneration Report (non-binding resolution) |
|-----------------------|---|
| Description | <p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2022 Annual Report and is available from the Company's website (https://www.hydrix.com).</p> <p>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.</p> |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"THAT the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2022 be adopted."</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast on this resolution:</p> <ul style="list-style-type: none">(a) by or on behalf of a member of Key Management Personnel (KMP) named in the remuneration report for the year ended 30 June 2022, 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. <p>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:</p> <ul style="list-style-type: none">(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 Directors

| Resolution 2 | Re-election of Ms Julie King as Director |
|-----------------------|--|
| Description | Ms Julie King, who was appointed as a Director on 28 March 2017, and last re-elected by Shareholders at the Company's 2019 Annual General Meeting on 12 December 2019, retires as a Director in accordance with rules 3.6(a) and 3.6(b) of the Company's Constitution and, being eligible, offers herself for re-election. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"THAT Ms Julie King, who retires as a Director in accordance with Listing Rule 14.5 and rules 3.6(a) and 3.6(b) of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."</i></p> |

Approval for issue of securities under HYDO Option Offer

| Resolution 3A | Approval to issue Loyalty Options under HYDO Optionholder Offer |
|-----------------------|---|
| Description | The Company seeks Shareholder approval under Listing Rule 7.1 for the issue of Loyalty Options under the HYDO Optionholder Offer. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"THAT for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 15,462,506 Loyalty Options to the Eligible HYDO Optionholders and if applicable, the Underwriter and/or sub-underwriters under the HYDO Optionholder Offer, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under this Resolution 3A (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3B | Approval for Director Joanne Bryant to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to HYDO Optionholder entities associated with Director Joanne Bryant, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 126,256 Loyalty Options under the HYDO Optionholder Offer, to entities associated with Ms Joanne Bryant, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Ms Joanne Bryant, her associated entities, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3C | Approval for Director Gavin Coote to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to a HYDO Optionholder entity controlled by Director Gavin Coote, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 182,657 Loyalty Options under the HYDO Optionholder Offer, to an entity associated with Mr Gavin Coote, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Mr Gavin Coote, his associated entity, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3D | Approval for Director Julie King to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to a HYDO Optionholder entity associated with Director Julie King, and Mr John King, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 666,667 Loyalty Options under the HYDO Optionholder Offer, to an entity associated with Ms Julie King and Mr John King, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Ms Julie King, Mr John King, their associated entity, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3E | Approval for Director Paul Lewis to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to HYDO Optionholder entities associated with Director Paul Lewis MBE FAICD, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,222,222 Loyalty Options under the HYDO Optionholder Offer, to entities associated with Mr Paul Lewis, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Mr Paul Lewis, his associated entities, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3F | Approval for Director Paul Wright to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to a HYDO Optionholder entity controlled by Director Paul Wright, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 158,066 Loyalty Options under the HYDO Optionholder Offer, to an entity associated with Mr Paul Wright, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Mr Paul Wright, his associated entity, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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. |

| Resolution 3G | Approval for John King to participate in HYDO Optionholder Offer |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Loyalty Options to a HYDO Optionholder entity controlled by John King, under the HYDO Optionholder Offer component of the Loyalty Options Offer, which was announced by Hydrix on 28 October 2022. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 82,538 Loyalty Options under the HYDO Optionholder Offer, to an entity associated with Mr John King, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Mr John King, his associated entity, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 Director participation in Entitlement Offer Shortfall Facility

| Resolution 4 | Approval for Director participation in Entitlement Offer Shortfall Facility |
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| Description | The Company seeks Shareholder approval under Listing Rule 10.11 for the issue of Shares to Shareholder entities associated with Director Paul Lewis MBE FAICD under the Institutional Shortfall Facility. |
| Resolution (Ordinary) | <p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,708,334 Shares under the Entitlement Offer Shortfall Facility, to entities associated with Mr Paul Lewis, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i></p> |
| Voting Exclusion | <p>The Company will disregard any votes cast in favour of this resolution by or on behalf of:</p> <ul style="list-style-type: none"> (a) Mr Paul Lewis, his associated entities, or any other person who will obtain a material benefit as a result of the proposed issue of Shares (except a benefit solely by reason of being a holder of Shares in the Company); or (b) any associates of the persons named in sub-paragraph (a). <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 5 | Approval of 10% Placement Capacity |
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| 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 Listing Rule 7.1. |
| Resolution (Special) | To consider and, if thought fit, pass the following resolution as a special resolution : <i>“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.”</i> |
| Voting Exclusion | Not applicable. As at the date of this Notice, the Company has no plans to issue Equity Securities under Listing Rule 7.1A. |

Approval of Long Term Incentive Plan

| Resolution 6 | Approval of Long Term Incentive Plan |
|-----------------------|---|
| Description | Shareholder approval is sought for the Company's Long Term Incentive Plan (LTIP) for the purposes of the Listing Rules and the Corporations Act. |
| Resolution (Ordinary) | To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT, for the purposes of Exception 13 in ASX Listing Rule 7.2, sections 259B(2) and 260C(4) of the Corporations Act, and for all other purposes, Shareholders approve the Long Term Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</i> |
| Voting Exclusion | <p>The Company will disregard any votes cast:</p> <ul style="list-style-type: none"> (a) in favour of this resolution by or on behalf of any person who is eligible to participate in the LTIP, and any associates of those persons; and (b) on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party. <p>However, this does not apply to a vote cast in favour of a resolution by:</p> <ul style="list-style-type: none"> (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: |

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| | <ul style="list-style-type: none"> (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. |
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Dated: 28 October 2022

By order of the Board of **Hydrix Limited**



Alyn Tai
Company Secretary

EXPLANATORY MEMORANDUM TO NOTICE OF 2022 ANNUAL GENERAL MEETING

Financial and related reports

| Item 1 | Financial and related reports |
|--------------------|---|
| Explanation | <p>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 2022 to be laid before the Company's 2022 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.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2022 Annual Report has been sent only to those Shareholders who have elected to receive a printed copy. A copy of the 2022 Annual Report is available from the Company's website (https://www.hydrix.com/).</p> <p>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 2022, 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.</p> |

Adoption of Remuneration Report (non-binding resolution)

| Resolution 1 | Adoption of Remuneration Report (non-binding resolution) |
|-------------------------------------|--|
| Explanation | <p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2022 Annual Report and is available from the Company's website (https://www.hydrix.com/). The Remuneration Report:</p> <ul style="list-style-type: none"> ▪ 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. <p>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.</p> |
| 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 Directors

| Resolution 2 | Re-election of Ms Julie King as Director |
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| Explanation | <p>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.</p> <p>Rule 3.6(b) of the Constitution requires any Director who would, if that Director remained in office until the next annual general meeting, have held that office for more than three years since last being elected, to retire from office.</p> <p>Ms Julie King retires as Director in accordance with rules 3.6(a) and (b) of the Constitution, having been last re-elected at the Company's Annual General Meeting on 12 December 2019, and constituting one third of Directors (excluding the Executive Chairman), rounded down to the nearest whole number.</p> <p>Ms King, being eligible under rule 3.6 of the Constitution, offers herself for re-election as a Director.</p> |
| About Ms Julie King | <p>Ms Julie King was first appointed to the Board as a Non-Executive Director on 8 August 2018.</p> <p>Ms King holds a Bachelor of Commerce degree from the University of Melbourne. With 40 years' experience in various industries including utilities, maritime, airline, banking and FMCG, and she is a specialist in commercial negotiations.</p> <p>At the date of this Notice, Ms King has a relevant interest in 26,273,145 Shares and 2,500,000 Options in the Company. Ms King is not considered to be an independent Director due to her substantial shareholding in the Company.</p> |
| Board Recommendation | The Board, with Ms King 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. |

Approval for issue of securities under HYDO Option Offer

| Resolutions 3A to 3G (inclusive) | Approval for issues of Loyalty Options under HYDO Optionholder Offer |
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| Explanation | <p>On or around the date of this Notice, Hydrix lodged a Prospectus with ASIC in relation to a fully underwritten Loyalty Options Offer, being:</p> <p>(a) HYDO Optionholder Offer: An offer of Loyalty Options to Eligible HYDO Optionholders, being those holders of HYDO Options (Hydrix's class of listed 'HYDO' options exercisable at \$0.12 that expired at 5.00pm (Melbourne time) on 31 July 2022), and with an address in Australia or New Zealand, and who held HYDO Options at the record date of 4.59pm (Melbourne time) on 31 July 2022, at a ratio of one (1) Loyalty Option for every one (1) HYDO Option held as at 4.59pm (Melbourne time) on 31 July 2022; and</p> <p>(b) Shareholder Offer: A pro-rata non-renounceable entitlement offer to eligible Shareholders, of one (1) Loyalty Option for every eight (8) Shares held on the relevant record date.</p> <p>The Loyalty Options will each be exercisable into a Share at the exercise price of \$0.12, on or before their expiry date of 31 December 2023.</p> |

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| | <p>In addition, for every two (2) Loyalty Options exercised by a holder on or before 30 April 2023 (Early Exercise), the Company will issue one (1) further Piggyback Option to the holder for nil consideration. Further details in relation to the Loyalty Options Offer is provided in the Prospectus.</p> <p>Resolutions 3A to 3G (inclusive) seek Shareholder approvals pursuant to Listing Rules 7.1 and 10.11, in connection with the HYDO Optionholder Offer.</p> <p>The Shareholder Offer, being a pro-rata entitlement offer of securities to Shareholders, does not require Shareholder approvals pursuant to Listing Rules 7.1 and 10.11, due to the application of Listing Rule 7.2 (Exception 1) and Listing Rule 10.12 (Exception 1), respectively.</p> |
| Underwriting | <p>The Loyalty Options Offer is fully underwritten by the Underwriter, Baker Young Limited. A summary of the terms of the Underwriting Agreement between the Company and the Underwriter is provided in the Prospectus.</p> |
| Approvals sought | <p>As at the record date for the HYDO Optionholder Offer of 4.59pm (Melbourne time) on 31 July 2022, there were a total of 18,900,912 HYDO Options on issue, of which 3,438,406 were held by related parties of the Company, and 15,462,506 were held by non-related parties of the Company.</p> <p>Accordingly, the maximum number of Loyalty Options that is being offered under the HYDO Optionholder Offer, on a 1-for-1 basis, is 18,900,912, comprising:</p> <ul style="list-style-type: none"> (a) 3,438,406 Loyalty Options to be offered to HYDO Optionholders which are related parties of the Company (the subject of Resolutions 3B – 3G (inclusive)); and (b) 15,462,506 Loyalty Options to be offered to HYDO Optionholders which are not related parties of the Company (the subject of Resolution 3A). <p>Resolution 3A seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 15,462,506 Loyalty Options (but not any underlying Piggyback Options that the Company may be required to issue upon an Early Exercise) to HYDO Optionholders (excluding related party HYDO Optionholders), and to the extent that HYDO Optionholders do not subscribe for their entitlement under the HYDO Optionholder Offer, the Underwriter and/or sub-underwriters to the Loyalty Options Offer, under the HYDO Optionholder Offer component of the Loyalty Options Offer, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.</p> <p>Resolutions 3B to 3G (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of Loyalty Options (but not any underlying Piggyback Options that the Company may be required to issue upon an Early Exercise) to certain related party HYDO Optionholders (including Directors' controlled entities), on the same terms as all other Eligible HYDO Optionholders.</p> |
| Listing Rules | <p>Listing Rule 7.1 provides that a listed company must not, subject to specified exceptions under 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.</p> <p>The effect of Resolution 3A, if approved by Shareholders, will be to allow the Company to issue up to 15,462,506 Loyalty Options to HYDO Optionholders (excluding related party HYDO Optionholders) and if applicable, the Underwriter and/or sub-underwriters of the Loyalty Options Offer, under the HYDO Optionholder Offer component of the Loyalty Options Offer, without using the Company's 15% Placement Capacity during the period of 3 months after the Meeting.</p> |

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| | <p>Listing Rule 10.11 states that, unless an exception in Listing Rule 10.12 applies, an entity must not issue or agree to issue Equity Securities to any of the following persons without the approval of holders of its ordinary securities:</p> <p>10.11.1 A related party</p> <p>10.11.2 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity.</p> <p>10.11.3 A person who is, or was at an time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity</p> <p>10.11.4 An associate of a person referred to in rules 10.11.1 to 10.11.3.</p> <p>10.11.5 A person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.</p> <p>The effect of Resolutions 3B to 3G (inclusive), if approved by Shareholders, will be to allow the issue of Loyalty Options to related parties of the Company, under the HYDO Optionholder Offer component of the Loyalty Options Offer.</p> <p>If Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1, and the Shares issued under Resolutions 3B to 3G (inclusive), will not deplete the Company's 15% Placement Capacity.</p> |
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Resolution 3A: Approval to issue Loyalty Options under HYDO Optionholder Offer

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| <p>Specific information for Resolution 3A</p> | <p>In accordance with Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1, the following information is provided to Shareholders:</p> <p>Names of persons who will be issued securities Eligible HYDO Optionholders, being those holders of HYDO Options) as at 4.59pm (Melbourne time) on 31 July 2022, and with an address in Australia or New Zealand, but excluding any related parties of the Company, and to the extent that the Eligible HYDO Optionholders do not subscribe for Loyalty Options in accordance with their entitlement, the Underwriter and any sub-underwriters (which will not be related parties of the Company) of the Loyalty Options Offer.</p> <p>Number and class of securities to be issued Up to 15,462,506 Loyalty Options, on the basis of one (1) Loyalty Option for every one (1) HYDO Option held as at 4.59pm (Melbourne time) on 31 July 2022.</p> <p>Material terms of securities The Loyalty Options will each be exercisable into a Share at the exercise price of \$0.12, on or before their expiry date of 31 December 2023. The Company intends to apply to ASX for quotation of the Loyalty Options.</p> <p>In addition, for every two (2) Loyalty Options exercised by a holder on or before 30 April 2023, the Company will issue one (1) further Piggyback Option to the holder for nil consideration.</p> <p>The detailed terms of the Loyalty Options are provided in Annexure A.</p> <p>The underlying Shares issued upon exercise of the Loyalty Options will, on issue, be fully paid, and will rank equally with the other fully paid Shares then on issue in the Company.</p> |
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| | <p>Date by which securities will be issued</p> <p>The Company intends to issue the Loyalty Options under this Resolution 3A on or around 6 December 2022, in accordance with the indicative timetable of the Loyalty Options Offer set out in the Prospectus (which may be amended at the Board's discretion). In any event, the Loyalty Options under this Resolution 3A will be issued within 3 months from the date of the Meeting.</p> <p>Issue price per security</p> <p>The Loyalty Options will be issued for \$0.005 each.</p> <p>Purpose of the issue and use of funds raised</p> <p>The offer of Loyalty Options is intended to reward loyal securityholders who have supported Hydrix by giving them an opportunity to participate in Hydrix's growth strategy to become a globally diversified med-tech company, whilst simultaneously assisting Hydrix with funding its growth objectives during 2022 and 2023.</p> <p>The funds raised through the issue of the Loyalty Options will be used to pay for the costs of the Loyalty Options Offer, and to fund the Company's general working capital requirements. The Company intends that any funds raised by the exercise of the Loyalty Options will provide a mechanism for Hydrix to progressively fund its targeted milestone growth initiatives during 2022 and 2023. These initiatives are further detailed in the Prospectus.</p> <p>Voting exclusion statement</p> <p>A voting exclusion statement applies to this item of business, as set out in the Notice.</p> |
| <p>What will happen if Shareholders give, or do not give, approval?</p> | <p>If Shareholders approve Resolution 3A, the Company will be able to issue the Loyalty Options to Eligible HYDO Optionholders (and if applicable, the Underwriter / sub-underwriters of the Loyalty Options Offer), in accordance with the terms of the HYDO Optionholder Offer, during the period of 3 months after the Meeting, without using the Company's 15% Capacity.</p> <p>If Shareholders do not approve Resolution 3A, then any Loyalty Options issued by the Company to Eligible HYDO Optionholders (excluding related parties) or the Underwriter / sub-underwriters will be deducted from the Company's 15% Placement Capacity.</p> |
| <p>Board Recommendation</p> | <p>The Directors unanimously recommend that Shareholders vote in favour of Resolution 3A.</p> <p>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, 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.</p> <p>In particular, the Directors note that if Shareholder approval for Resolution 3A 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 Listing Rule 7.2.</p> |
| <p>Chairman's available proxies</p> | <p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 3A.</p> |

| Resolutions 3B to 3G (inclusive): Approval for related parties to participate in HYDO Optionholder Offer | | | | |
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| Explanation | As explained above, as at the record date for the HYDO Optionholder Offer of 4.59pm (Melbourne time) on 31 July 2022, there were a total of 3,438,406 HYDO Options held by related parties of the Company. | | | |
| | Accordingly, related parties of the Company will, subject to Shareholder approval under Resolutions 3B to 3G (inclusive), participate in the HYDO Optionholder Offer to the extent of 3,438,406 Loyalty Options, as follows: | | | |
| | Resolution | Related Party | HYDO Optionholder entity | LR category |
| | | | | No. of Loyalty Options |
| | 3B | Joanne Bryant | E L G Nominees Pty Ltd ATF The Gude Family No. 3 A/C | 10.11.1 |
| | | | JBB Superannuation Pty Ltd | 10.11.1 |
| | | | ATF the JBB Superannuation Fund | |
| | | | Subtotal | 126,256 |
| | 3C | Gavin Coote | Beachridge Advisory Services Pty Ltd ATF the Coote Family Discretionary Trust | 10.11.1 |
| | 3D | Julie King | John W King Nominees Pty Ltd | 10.11.1 |
| | 3E | Paul Lewis | Invia Custodian Pty Limited ATF PAJ Super Fund A/C> | 10.11.1 |
| | | | Invia Custodian Pty Limited ATF The PAJ A/C | 10.11.1 |
| | | | Subtotal | 2,222,222 |
| | 3F | Paul Wright | Custodian trustee ATF PKW Super Fund | 10.11.1 |
| | 3G | John King | BDKM Investments Pty Ltd ATF BDKM Investments Unit A/C | 10.11.1 |
| | Total | | | 3,438,406 |
| Specific information for Resolutions 4A and 4B | In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to Shareholders: | | | |
| | Names of recipients of securities | In relation to each of Resolutions 3B, 3C, 3D, 3E, 3F and 3G, the parties identified in the table above under the corresponding column titled "HYDO Optionholder entity". | | |
| | Number and class of securities | In relation to each of Resolutions 3B, 3C, 3D, 3E, 3F and 3G, the number of Loyalty Options to be issued under each Resolution is set out in the table above under the corresponding column titled "No. of Loyalty Options". | | |
| | Material terms of securities | The Loyalty Options are each exercisable into a Share at the exercise price of \$0.12, on or before their expiry date of 31 December 2023. The Company intends to apply to ASX for quotation of the Loyalty Options. | | |
| | | In addition, for every two (2) Loyalty Options exercised by a holder on or before 30 April 2023, the Company will issue one (1) further Piggyback Option to the holder for nil consideration. The terms of the Loyalty Options are detailed in Annexure A. | | |

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| | <p>Date for issue and allotment of securities</p> <p>Subject to Shareholder approval, Company intends to issue the Loyalty Options under Resolutions 3B to 3G (inclusive) on or around 6 December 2022, in accordance with the indicative timetable of the Loyalty Options Offer set out in the Prospectus (which may be amended at the Board's discretion).</p> <p>In any event, the Loyalty Options under Resolutions 3B to 3G (inclusive) will be issued within 1 month from the date of the Meeting.</p> <p>Issue price per security</p> <p>The Loyalty Options will be issued for \$0.005 each.</p> <p>Purpose of issue and use of funds raised</p> <p>The offer of Loyalty Options is intended to reward loyal securityholders who have supported Hydrix by giving them an opportunity to participate in Hydrix's growth strategy to become a globally diversified med-tech company, whilst simultaneously assisting Hydrix with funding its growth objectives during 2022 and 2023.</p> <p>The funds raised through the issue of the Loyalty Options will be used to pay for the costs of the Loyalty Options Offer, and to fund the Company's general working capital requirements. The Company intends that any funds raised by the exercise of the Loyalty Options will provide a mechanism for Hydrix to progressively fund its targeted milestone growth initiatives during 2022 and 2023. These initiatives are further detailed in the Prospectus.</p> <p>Voting exclusion statement</p> <p>A voting exclusion statement applies to each of Resolutions 3B to 3G (inclusive), as set out in the Notice.</p> |
| <p>Approval not sought under Chapter 2E of the Corporations Act</p> | <p>For the purposes of Chapter 2E of the Corporations Act, each of the persons named in the table above are related parties of the Company. Specifically:</p> <p>(a) as Directors of the Company, Joanne Bryant, Gavin Coote, Julie King, Paul Lewis and Paul Wright (and each of their above-named controlled entities) are related parties of the Company; and</p> <p>(b) as a parent of Director Julie King, John King (and his controlled entities) are related parties of the Company.</p> <p>A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of shareholders or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.</p> <p>One exception to the general rule is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length terms (or on terms more favourable to the Company than arm's length terms).</p> <p>The Directors have determined that the proposed issue of Loyalty Options under the HYDO Optionholder Offer to the related parties are reasonable in the circumstances if the Company and the related parties are dealing on arm's length terms. In making this determination, the Directors took into account the following factors:</p> |

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| | <p>(a) the Loyalty Options are proposed to be issued on identical terms to all other non-related party participants under the HYDO Optionholder Offer; and</p> <p>(b) the Loyalty Options the subject of Resolutions 3B to 3G (inclusive) would be issued as part of the HYDO Optionholder Offer but for the fact that Shareholder approval must be obtained prior to the issue of any securities to related parties of the Company pursuant to ASX Listing Rule 10.11.</p> <p>On this basis, as the provision of such benefits is expressly permitted by the arm's length exception under the Corporations Act, the Board does not consider the Company is required to seek Shareholder approval in order to give the related parties the financial benefit that is inherent in the issue of Loyalty Options.</p> |
| What will happen if Shareholders give, or do not give, approval? | <p>If Shareholders approve Resolutions 3B to 3G (inclusive), the related parties the subject of those Resolutions will be able to participate in the HYDO Optionholder Offer on the same terms and to the same extent (being a 1-for-1 basis) as all other Eligible HYDO Optionholders.</p> <p>If any or all of Resolutions 3B to 3G (inclusive) are not passed, the intended recipients the subject of the relevant resolutions which are not passed will not be able to participate in the HYDO Optionholder Offer, and will not be issued any Loyalty Options.</p> |
| Board Recommendation | The Board, with Joanne Bryant, Gavin Coote, Julie King, Paul Lewis and Paul Wright abstaining on making a recommendation on Resolutions 3B, 3C, 3D, 3E and 3F respectively, recommends that Shareholders vote in favour of Resolutions 3B to 3G (inclusive) |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 3B to 3G (inclusive). |

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| Resolution 4 | Approval for issue of Shares to Mr Paul Lewis MBE FAICD under Institutional Shortfall Facility |
| Background | <p>On 15 September 2022, the Company announced that it would be conducting an accelerated non-renounceable pro-rata entitlement offer of new Shares, entitling eligible Shareholders to subscribe for 1 new Share for every 2 Shares held on the record date of 7.00pm (Melbourne time) on Monday 19 September 2022 (Entitlement), at an issue price of 6 cents per Share (Offer Price) (Entitlement Offer).</p> <p>The Entitlement Offer was comprised of two parts, being:</p> <p>(a) Institutional Entitlement Offer under which:</p> <p>(i) Eligible institutional Shareholders were invited to take up all or part of their Entitlement; and</p> <p>(ii) In respect of Entitlements not taken up by eligible institutional Shareholders, and new Shares which could not be taken up by ineligible institutional Shareholders (Institutional Shortfall Shares), a process was undertaken to sell these Institutional Shortfall Shares to certain institutional investors at the Offer Price (Institutional Shortfall Facility); and</p> <p>(b) Retail Entitlement Offer under which eligible retail Shareholders were invited to take up all or part of their Entitlements.</p> |

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| | <p>The Institutional Entitlement Offer raised a total of approximately \$2.07 million, and the Retail Entitlement Offer raised a total of approximately \$1.29 million (as announced by the Company on 15 September 2022 and 20 October 2022 respectively).</p> <p>Mr Paul Lewis, a Director (and therefore a related party) of Hydrix, participated in the Institutional Entitlement Offer, via his controlled entities. In particular, Paul Lewis (via his controlled entities) subscribed for, in aggregate:</p> <ul style="list-style-type: none"> (a) their pro-rata Entitlement under the Institutional Entitlement Offer, being a total of 4,958,334 Shares (Director Entitlement Shares); and (b) an additional 1,708,334 Shares under the Institutional Shortfall Facility (Director Shortfall Shares). <p>As explained above, Listing Rule 10.11 requires a listed company to obtain approval prior to the issue of Equity Securities to a related party of the company, unless an exception applies. One such exception is the issue of Equity Securities to a related party under a pro-rata issue (such as the Entitlement Offer) - however, this exception only applies to securities taken up as part of the related party's pro-rata Entitlement, and does not extend to an issue of securities under a shortfall (Exception 1 of Listing Rule 10.12).</p> <p>As such, the Director Entitlement Shares subscribed for by Paul Lewis' controlled entities under the Institutional Entitlement Offer (which comprised their pro-rata Entitlement) were issued by the Company on 23 September 2022 without Shareholder approval, pursuant to Exception 1 of Listing Rule 10.12.</p> <p>However, the Director Shortfall Shares subscribed for by Paul Lewis' controlled entities under the Institutional Shortfall Facility do not fall within the operation of Exception 1 of Listing Rule 10.12. As such, in accordance with Listing Rule 10.11, the Company must seek Shareholder approval prior to the issue of these Shares to Paul Lewis.</p> <p>Accordingly, Resolution 4 seeks Shareholder approval to issue the Director Shortfall Shares to Paul Lewis' controlled entities.</p> |
| <p>Listing Rule 10.11</p> | <p>As explained above, Listing Rule 10.11 states that, unless an exception in Listing Rule 10.12 applies, an entity must not issue or agree to issue Equity Securities to various categories of persons without the approval of holders of its ordinary securities, including related parties (under Listing Rule 10.11.1).</p> <p>Exception 1 of Listing Rule 10.12 states that Listing Rule 10.11 does not apply to an issue of Equity Securities to holders of ordinary securities made under a pro rata issue. However, Exception 1 only applies to securities taken up as part of a pro rata issue, and it does not apply to a person taking up all or part of the shortfall of a pro rata issue.</p> <p>As a Director of the Company, Mr Paul Lewis (along with his controlled entities) are related parties of the Company in accordance with Listing Rule 10.11. The Director Shortfall Shares subscribed for by Paul Lewis' controlled entities are not covered by Exception 1 of Listing Rule 10.12 (nor any other exception under Listing Rule 10.12), and accordingly, Shareholder approval is sought under Resolution 4 for the issue of these Shares, in accordance with Listing Rule 10.11.</p> <p>If Shareholder approval is given for the purposes of Listing Rule 10.11, approval will not be required under Listing Rule 7.1, and the securities issued under Resolution 4 will not deplete the Company's 15% Placement Capacity.</p> |

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| <p>Approval not sought under Chapter 2E of the Corporations Act</p> | <p>As noted above, Mr Paul Lewis and his controlled entities are related parties of the Company, and accordingly the giving of a financial benefit to them by the Company would ordinarily be prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of Shareholders, or where an exception applies.</p> <p>A “financial benefit” is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. 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 provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm’s length terms (or on terms more favourable to the Company than arm’s length terms).</p> <p>The Directors have determined that the proposed issue of Director Shortfall Shares to Paul Lewis is reasonable in the circumstances, if the Company and Paul Lewis are dealing on arm’s length terms. In making this determination, the Directors took into account that:</p> <ul style="list-style-type: none"> (a) The Director Shortfall Shares form part of the Entitlement Offer, and are to be issued on identical terms to the other Entitlement Offer Shares subscribed for by non-related party investors. The terms of the Entitlement Offer were determined on an arm’s length basis, through consultation with the joint lead manager, Baker Young Limited; and (b) The Director Shortfall Shares would have been issued as part of the Institutional Entitlement Offer, but for the fact that Shareholder approval must be obtained prior to the issue of any Equity Securities to related parties of the Company pursuant to Listing Rule 10.11. <p>As the provision of such benefits is expressly permitted by the arm’s length exception under the Corporations Act, the Board does not consider that the Company is required to seek Shareholder approval in order to give Paul Lewis (and his controlled entities) the financial benefit that is inherent in the issue of the Director Shortfall Shares.</p> | | | | | | | | |
| <p>Specific information for Resolution 4</p> | <p>In accordance with Listing Rule 10.13, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11, the following information is provided to Shareholders:</p> <table border="0"> <tr> <td data-bbox="483 1429 778 1485">Name of recipients of securities</td><td data-bbox="826 1429 1449 1552">The custodian Shareholder entities through which Paul Lewis holds Shares, being Invia Custodian Pty Limited ATF PAJ Super Fund A/C> and Invia Custodian Pty Limited ATF The PAJ A/C.</td></tr> <tr> <td data-bbox="483 1585 778 1641">Category in Listing Rules 10.11.1 – 10.11.5</td><td data-bbox="826 1585 1449 1675">As a Director, Paul Lewis is a related party of the Company under Listing Rule 10.11.1, as are his controlled entities.</td></tr> <tr> <td data-bbox="483 1709 778 1765">Number and class of securities to be issued</td><td data-bbox="826 1709 1449 1742">1,708,334 Shares</td></tr> <tr> <td data-bbox="483 1798 778 1832">Terms of securities</td><td data-bbox="826 1798 1449 1888">The Director Shortfall Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company.</td></tr> </table> | Name of recipients of securities | The custodian Shareholder entities through which Paul Lewis holds Shares, being Invia Custodian Pty Limited ATF PAJ Super Fund A/C> and Invia Custodian Pty Limited ATF The PAJ A/C. | Category in Listing Rules 10.11.1 – 10.11.5 | As a Director, Paul Lewis is a related party of the Company under Listing Rule 10.11.1, as are his controlled entities. | Number and class of securities to be issued | 1,708,334 Shares | Terms of securities | The Director Shortfall Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company. |
| Name of recipients of securities | The custodian Shareholder entities through which Paul Lewis holds Shares, being Invia Custodian Pty Limited ATF PAJ Super Fund A/C> and Invia Custodian Pty Limited ATF The PAJ A/C. | | | | | | | | |
| Category in Listing Rules 10.11.1 – 10.11.5 | As a Director, Paul Lewis is a related party of the Company under Listing Rule 10.11.1, as are his controlled entities. | | | | | | | | |
| Number and class of securities to be issued | 1,708,334 Shares | | | | | | | | |
| Terms of securities | The Director Shortfall Shares will be fully paid ordinary shares ranking pari-passu with other existing fully paid ordinary shares in the Company. | | | | | | | | |

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| | <p>Date for issue and allotment of securities</p> <p>Subject to Shareholder approval being obtained, the Company will issue the Director Shortfall Shares as soon as is practicable after the Meeting, or in any event no later than one month after the date of the Meeting.</p> <p>Issue price per security</p> <p>The Director Shortfall Shares will be issued at an issue price of \$0.06 per Share.</p> <p>Purpose of issue and use of funds raised</p> <p>As detailed in the Company's announcement dated 15 September 2022, the Entitlement Offer was conducted to raise funds. The funds raised (net of costs) will be primarily used to support the following business objectives:</p> <ul style="list-style-type: none"> (a) Market development, regulatory applications, clinical trials and to expand cardiac devices portfolio; (b) Expand global business development and marketing of product design and engineering services; (c) Venture investments in high potential early stage medtech device clients; and (d) Group working capital to support the strategy to become a global medtech company. <p>Voting exclusion statement</p> <p>A voting exclusion statement applies to Resolution 4, as set out in the Notice.</p> |
| What will happen if Shareholders give, or do not give, approval? | <p>If Shareholders approve Resolution 4, the Company will issue the Director Shortfall Shares to Paul Lewis within one month of the Meeting.</p> <p>If Shareholders do not approve Resolution 4, the Company will not issue the Director Shortfall Shares to Paul Lewis, and accordingly the funds raised by the Company from the Institutional Entitlement Offer will be reduced by the corresponding amount (approximately \$102,500). Paul Lewis, having already paid the subscription amount, will be refunded the applicable monies.</p> |
| Board Recommendation | <p>The Directors (with Paul Lewis abstaining from making a recommendation) unanimously recommend that Shareholders vote in favour of Resolution 4.</p> |
| Chairman's available proxies | <p>The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.</p> |

Approval of 10% Placement Capacity

| Resolution 5 | Approval of 10% Placement Capacity |
|---------------------------|---|
| <p>General</p> | <p>Under 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 (15% Placement Capacity). 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).</p> <p>The Company seeks Shareholder approval under 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 Listing Rule 7.1.</p> <p>Resolution 5 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.</p> |
| <p>Eligibility</p> | <p>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 Listing Rule 7.1A.</p> <p>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 Listing Rule 7.1A.</p> |
| <p>Formula</p> | <p>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 Listing Rule 7.1A.2 as follows:</p> <p style="text-align: center;">(A x D) - E</p> <p>Where:</p> <p>A is the number of shares on issue at the commencement of the relevant period:</p> <ul style="list-style-type: none"> ▪ plus the number of fully paid shares issued in the relevant period under an exception in 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: <ul style="list-style-type: none"> ○ 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: <ul style="list-style-type: none"> ○ 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, |

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| | <ul style="list-style-type: none"> plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or 7.4, 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. <p>'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% Placement Capacity</p> <p>D is 10%.</p> <p>E is the number of Equity Securities issued or agreed to be issued under 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.</p> <p>'Relevant period' means the 12 month period immediately preceding the date of the issue or agreement.</p> |
| Conditions of issue under the 10% Placement Capacity | <p>There are a number of conditions applicable to the issue of Equity Securities under 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:</p> <p>(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 HYDOA listed options.</p> <p>(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:</p> <ol style="list-style-type: none"> 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 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 | <p>In the event that the Company obtains Shareholder approval of Resolution 5, such approval will commence on the date of this Meeting, and will cease to be valid upon the earlier of:</p> <p>(a) 12 months after the date of this Annual General Meeting;</p> <p>(b) the time and date of the Company's next annual general meeting; or</p> <p>(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 Listing Rule 11.1.2, or the disposal of the Company's main undertaking under Listing Rule 11.2.</p> <p>(Placement Period)</p> |
| Information to be provided to Shareholders under Listing Rule 7.3A | |

| Minimum issue price | <p>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:</p> <ol style="list-style-type: none"> 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 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 | <p>If Resolution 5 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:</p> <ul style="list-style-type: none"> 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. <p>The table below shows the potential dilution of existing Shareholders under various scenarios on the basis of:</p> <ul style="list-style-type: none"> an issue price of \$0.067 per Share which was the closing price of the Company's Shares on the ASX on 21 October 2022; and the variable 'A' being calculated as the number of fully paid ordinary shares on issue as at the date of this Notice, being 252,510,513. <p>The table also shows:</p> <p>(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 Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of Shareholders; and</p> <p>(b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.</p> <table border="1"> <thead> <tr> <th rowspan="2">VARIABLE 'A'</th><th rowspan="2"></th><th colspan="3">Dilution</th></tr> <tr> <th>50% decrease in issue price \$0.0335</th><th>Issue price \$0.0670</th><th>100% increase in issue price \$0.1340</th></tr> </thead> <tbody> <tr> <td rowspan="2">Current Variable 'A' 252,510,513</td><td>10% voting dilution</td><td>25,251,051 Shares</td><td>25,251,051 Shares</td><td>25,251,051 Shares</td></tr> <tr> <td>Funds raised</td><td>\$845,910</td><td>\$1,691,820</td><td>\$3,383,641</td></tr> <tr> <td rowspan="2">50% increase in current Variable 'A' 378,765,770</td><td>10% voting dilution</td><td>37,876,577 Shares</td><td>37,876,577 Shares</td><td>37,876,577 Shares</td></tr> <tr> <td>Funds raised</td><td>\$1,268,865</td><td>\$2,537,731</td><td>\$5,075,461</td></tr> </tbody> </table> | | | | VARIABLE 'A' | | Dilution | | | 50% decrease in issue price \$0.0335 | Issue price \$0.0670 | 100% increase in issue price \$0.1340 | Current Variable 'A' 252,510,513 | 10% voting dilution | 25,251,051 Shares | 25,251,051 Shares | 25,251,051 Shares | Funds raised | \$845,910 | \$1,691,820 | \$3,383,641 | 50% increase in current Variable 'A' 378,765,770 | 10% voting dilution | 37,876,577 Shares | 37,876,577 Shares | 37,876,577 Shares | Funds raised | \$1,268,865 | \$2,537,731 | \$5,075,461 |
| VARIABLE 'A' | | Dilution | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 50% decrease in issue price \$0.0335 | Issue price \$0.0670 | 100% increase in issue price \$0.1340 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Variable 'A' 252,510,513 | 10% voting dilution | 25,251,051 Shares | 25,251,051 Shares | 25,251,051 Shares | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Funds raised | \$845,910 | \$1,691,820 | \$3,383,641 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% increase in current Variable 'A' 378,765,770 | 10% voting dilution | 37,876,577 Shares | 37,876,577 Shares | 37,876,577 Shares | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Funds raised | \$1,268,865 | \$2,537,731 | \$5,075,461 | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | 100% increase in current Variable 'A' 505,021,026 | 10% voting dilution | 50,502,103 Shares | 50,502,103 Shares | 50,502,103 Shares |
| | | Funds raised | \$1,691,820 | \$3,383,641 | \$6,767,282 |
| | <p>The table has been prepared on the following assumptions:</p> <p>(a) the Company issues the maximum number of shares available under the 10% Placement Capacity;</p> <p>(b) no options to acquire shares on issue in the Company are exercised;</p> <p>(c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;</p> <p>(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.</p> <p>(e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.</p> <p>(f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares.</p> <p>(g) the issue price is \$0.067, being the closing price of the Company's shares on the ASX on 21 October 2022.</p> | | | | |
| Period of validity | <p>The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).</p> | | | | |
| Purpose for which the funds may be used | <p>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 Listing Rule 7.1.A and for general working capital.</p> <p>The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.</p> | | | | |
| Allocation policy | <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> 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 | | | | |

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| | <p>funds; and</p> <p>4. advice from the Company's corporate, financial, legal and broking advisers.</p> <p>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.</p> <p>The allottees may include existing substantial Shareholders and/or new Shareholders, but the allottees will not be related parties of the Company.</p> <p>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.</p> | | | | | | | | | | | | |
| <p>Securities issued in previous 12 months under Listing Rule 7.1A.2</p> | <p>The Company has issued or agreed to issue a total of 16,485,606 Shares under Listing Rule 7.1A in the 12 months preceding the date of the 2022 Annual General Meeting. The Shares were issued under the Company's placement, as announced to ASX on 28 February 2022 (February Placement). These Shares represent 10% of the total number of Shares on issue at the commencement of the 12 month period.</p> <p>In accordance with Listing Rule 7.3A.6(b), the Company provides the following information in relation to the issue of 16,485,606 Shares under the February Placement under Listing 7.1A:</p> <table border="1"> <tr> <td>Names of persons to whom the securities were issued and basis on which they were identified</td><td>The Shares were issued to February Placement subscribers. The subscribers were sophisticated and professional investors identified by the joint lead managers, and included Directors Gavin Coote, Joanne Bryant, Julie King, Paul Lewis and Paul Wright (or their controlled entities), as well as a substantial holder of the Company, John W King Nominees Pty Ltd.</td></tr> <tr> <td>Number and class of securities issued</td><td>16,485,606 Shares</td></tr> <tr> <td>Price of securities issued</td><td>\$0.10</td></tr> <tr> <td>Discount that the issue price represented to the closing market price on the date of the issue</td><td>The closing market price on the date of the issue (7 March 2022) was \$0.08. As such, the issue price did not represent a discount to the closing market price.</td></tr> <tr> <td>Total cash consideration received by the Company</td><td>\$1,648,560.60</td></tr> <tr> <td>Amount of cash spent, what it was spent on, and intended use for remaining cash (if any)</td><td> <p>The funds raised have been used to support the following business objectives:</p> <ul style="list-style-type: none"> ▪ Market development and expansion of cardiac devices portfolio ▪ Expand global business development and marketing of product design and engineering services ▪ Venture investments in high potential early stage medtech device clients; and ▪ Group working capital in support of strategic objectives. </td></tr> </table> | Names of persons to whom the securities were issued and basis on which they were identified | The Shares were issued to February Placement subscribers. The subscribers were sophisticated and professional investors identified by the joint lead managers, and included Directors Gavin Coote, Joanne Bryant, Julie King, Paul Lewis and Paul Wright (or their controlled entities), as well as a substantial holder of the Company, John W King Nominees Pty Ltd. | Number and class of securities issued | 16,485,606 Shares | Price of securities issued | \$0.10 | Discount that the issue price represented to the closing market price on the date of the issue | The closing market price on the date of the issue (7 March 2022) was \$0.08. As such, the issue price did not represent a discount to the closing market price. | Total cash consideration received by the Company | \$1,648,560.60 | Amount of cash spent, what it was spent on, and intended use for remaining cash (if any) | <p>The funds raised have been used to support the following business objectives:</p> <ul style="list-style-type: none"> ▪ Market development and expansion of cardiac devices portfolio ▪ Expand global business development and marketing of product design and engineering services ▪ Venture investments in high potential early stage medtech device clients; and ▪ Group working capital in support of strategic objectives. |
| Names of persons to whom the securities were issued and basis on which they were identified | The Shares were issued to February Placement subscribers. The subscribers were sophisticated and professional investors identified by the joint lead managers, and included Directors Gavin Coote, Joanne Bryant, Julie King, Paul Lewis and Paul Wright (or their controlled entities), as well as a substantial holder of the Company, John W King Nominees Pty Ltd. | | | | | | | | | | | | |
| Number and class of securities issued | 16,485,606 Shares | | | | | | | | | | | | |
| Price of securities issued | \$0.10 | | | | | | | | | | | | |
| Discount that the issue price represented to the closing market price on the date of the issue | The closing market price on the date of the issue (7 March 2022) was \$0.08. As such, the issue price did not represent a discount to the closing market price. | | | | | | | | | | | | |
| Total cash consideration received by the Company | \$1,648,560.60 | | | | | | | | | | | | |
| Amount of cash spent, what it was spent on, and intended use for remaining cash (if any) | <p>The funds raised have been used to support the following business objectives:</p> <ul style="list-style-type: none"> ▪ Market development and expansion of cardiac devices portfolio ▪ Expand global business development and marketing of product design and engineering services ▪ Venture investments in high potential early stage medtech device clients; and ▪ Group working capital in support of strategic objectives. | | | | | | | | | | | | |

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| What will happen if Shareholders give, or do not give, approval? | <p>If Resolution 5 is passed, the Company will be able to issue Equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.</p> <p>If Resolution 5 is not passed, the Company will not be able to access the additional 10% Placement Capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.</p> |
| 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. |

Approval of Long Term Incentive Plan

| Resolution 5 | Approval of Long Term Incentive Plan |
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| Explanation | Shareholder approval is sought for the Company's Long Term Incentive Plan (LTIP), and the issue of securities under the LTIP, for the purposes of the Listing Rules and the Corporations Act. |
| Listing Rules | <p>Listing Rule 7.1 provides that a company may not issue Equity Securities, or agree to issue Equity Securities, without the approval of shareholders, if the number of Equity Securities to be issued in any 12 month period exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period (Placement Capacity).</p> <p>Listing Rule 7.2 contains a number of exceptions to the prohibition contained in Listing Rule 7.1. In particular, under Exception 13 in Listing Rule 7.2, any Equity Securities issued under an employee incentive scheme within 3 years of the date on which shareholders approve the issue of Equity Securities under that scheme are not counted for the purposes of Listing Rule 7.1. Resolution 5 is designed to satisfy the requirements of Listing Rule 7.2.</p> |
| Corporations Act | <p>Section 259B(1) of the Corporations Act prohibits a company from taking security over its shares except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by resolution passed at a general meeting of the company.</p> <p>Section 260A(1)(c) of the Corporations Act prohibits a company from financially assisting a person to acquire shares in itself except as permitted by section 260(C). Section 260(C)(4) provides for special exemption for approved employee shares schemes and states that financial assistance is exempted from section 260(A) if a resolution is passed at a general meeting of the company.</p> <p>Accordingly Shareholder approval is sought under Resolution 5 to ensure compliance with these sections of the Corporations Act.</p> |

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| Purpose of LTIP | <p>The purpose of the LTIP is to provide incentives to management and Directors of the Company who are integral to the operations and ongoing success of the Company. These incentives are designed to encourage greater productivity from Directors and management and to better enable the Company to retain its management personnel in a highly competitive industry.</p> <p>A summary of the LTIP is provided below.</p> <p>Should this Resolution 5 be passed, the Company will have the necessary flexibility to issue securities as an incentive to key management, and the issue of securities under the LTIP will not be included within the Company's placement capacity pursuant to Listing Rule 7.1.</p> |
| Details of the LTIP | <p>General</p> <p>The LTIP is intended to retain and motivate the Company's management team.</p> <p>Under the LTIP, the Board has the discretion to offer shares or grant options or performance rights to eligible employees (which includes Directors) of the Company or a related body corporate. An offer of shares may be accompanied by an offer of a loan (acquisition loan) from the Company or a related body corporate to acquire the shares.</p> <p>Note: there is no current proposal to offer acquisition loans under the LTIP.</p> <p>Both options and performance rights give a participant in the LTIP a right to acquire shares in the Company subject to the achievement of time based and/or performance based vesting conditions, with options requiring the payment of an exercise price to acquire the shares and a performance right not requiring the payment of an exercise price.</p> <p>The Board has the discretion to amend the rules of the LTIP (including in respect of previous awards of shares, options or performance rights) but not so as to reduce the rights of participants, except where necessary to correct obvious errors or mistakes or to comply with legal requirements or where agreed by the participant.</p> <p>Awards under the LTIP are made at the Board's discretion.</p> <p>Eligibility</p> <p>The rules allow for offers under the LTIP to be made to any employee of the Company or a related body corporate, including Directors, or such other person as the Board determines. However, it has been the case and it is currently intended to continue to be the case that participation in the LTIP will only be offered to the Company's senior executive leadership team including Directors.</p> <p>Issue of shares and grant of options and performance rights</p> <p>Shares, options and performance rights may be issued under the LTIP subject to vesting conditions, including time and performance based hurdles.</p> <p>The Board determines the details of the vesting conditions attaching to shares, options and performance rights under the LTIP prior to offers of participation being made. Shares, options or performance rights will only vest (under normal circumstances) upon satisfaction of the time and performance based vesting conditions. If those conditions are not met, shares will be bought back or the options or performance rights will generally expire and not be capable of exercise.</p> <p>No amount is payable on the grant of options or performance rights offered under the LTIP.</p> |

Delivery of shares

Shares in the Company will be delivered to participants upon exercise of vested options or performance rights. On exercise, the Company may deliver shares by new issue or by purchasing shares for transfer to participants. No exercise price is payable on the exercise of performance rights unless otherwise determined by the Board at the date of grant.

Buy-back of shares

The LTIP provides for the buy-back of shares offered under the LTIP in certain circumstances, including on the forfeiture of the shares. Buy-back proceeds must be applied towards the repayment of any acquisition loan used to acquire the shares.

Change of control

On a change of control of the Company, the Board has discretion to waive the vesting conditions applicable to unvested options and performance rights, subject to such terms and conditions as it determines.

Plan limits

Issues of shares including on exercise of options or performance rights granted under the LTIP will be subject to a cap of 5% of the issued share capital of the Company, inclusive of shares that may be issued under other employee incentive schemes of the Company for employees and Non-Executive Directors, but disregarding offers made outside of Australia, made under a prospectus or other disclosure document or which do not require a disclosure document.

Expiry of options and performance rights

Unless otherwise determined by the Board in its discretion, options and performance rights which have not been exercised will expire and cease to exist on the expiry date specified at the date of grant or upon the Board making a determination that the options or performance rights are to be forfeited.

Restrictions on shares and forfeiture conditions

Shares, options and performance rights, and shares delivered on exercise, may be subject to forfeiture (subject to lifting at the discretion of the Board) if a participant commits any act of fraud, defalcation or gross misconduct in relation to the Company or a related body corporate. In addition, the Board can decide, on the offer of shares or the grant of options or performance rights under the LTIP the circumstances under which the shares, options or performance rights are to be forfeited in additional circumstances, such as the termination or cessation of employment.

Shares delivered on exercise of options or performance rights may be subject to disposal restrictions (subject to removal at the discretion of the Board).

Hedging economic exposure prohibited

Without limiting the prohibitions in Part 2D.7 of the Corporations Act (ban on hedging remuneration of key management personnel), the terms of the LTIP prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under the LTIP.

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| Securities issued under the LTIP | <p>The LTIP was last approved by Shareholders at the Company's Annual General Meeting on 12 December 2019. Since that date, 6,550,000 Performance Rights, 3,885,642 Options and 87,500 Shares have been issued under the LTIP.</p> <p>The maximum number of securities proposed to be issued under the LTIP is 12,625,526 (representing 5% of the Company's issued capital at the date of this Notice). This maximum is not intended to be a prediction of the actual number of share rights to be issued under the LTIP, but is specified for the purposes of setting a ceiling on the number of share rights approved to be issued for the purposes of Listing Rule 7.2 Exception 13. Once that number is reached, any additional issues of share rights under the LTIP will not have the benefit of Exception 13 without a fresh Shareholder approval, and will only be able to be made without Shareholder approval under Listing Rule 7.1 if the Company has sufficient placement capacity available at the time under Listing Rule 7.1.</p> |
| What will happen if Shareholders give, or do not give, approval? | <p>If Resolution 5 is approved by Shareholders, the Company will be able to issue securities under the LTIP (up to the maximum number above) without depleting the Company's placement capacity pursuant to Listing Rule 7.1.</p> <p>If Resolution 5 is not approved by Shareholders, the Company will not be able to rely on Exception 13 of Listing Rule 7.1 when issuing securities under the LTIP. This means that any new issue of securities under the LTIP will be deducted from the Company's Placement Capacity pursuant to Listing Rule 7.1</p> |
| Voting Exclusion | A voting exclusion statement applies to this item of business, as set out in the Notice. |
| Board Recommendation | As the Directors are eligible to participate in the LTIP, the Directors do not make any recommendation to Shareholders in relation to this Resolution. |
| Chairman's available proxies | The Chairman of the Meeting intends to vote all available proxies in favour of this resolution. |

DEFINITIONS

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| 10% Placement Capacity | Means the Company's capacity to issue shares under Listing Rule 7.1A. |
| 15% Placement Capacity | Means the Company's capacity to issue shares under 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 <i>Corporations Act 2001</i> (Cth). |
| Company or Hydrix | Means Hydrix Limited ACN 060 369 048. |
| Constitution | Means the constitution of the Company, as amended or varied from time to time. |
| 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. |
| Eligible HYDO Optionholder | Means a HYDO Optionholder who held HYDO Options at 4.59pm (Melbourne time) on 31 July 2022, with an address in Australia or New Zealand. |
| Entitlement Offer | Means the accelerated non-renounceable pro-rata entitlement offer of new Shares (as announced by the Company on 15 September 2022), entitling eligible Shareholders to subscribe for 1 new Share for every 2 Shares held on the record date of 7.00pm (Melbourne time) on Monday 19 September 2022, at an issue price of \$0.06 per Share. |
| 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. |
| HYDO Options | Means Hydrix's class of listed Options exercisable at \$0.12 (ASX code: HYDO) that expired at 5.00pm (Melbourne time) on 31 July 2022. |
| HYDO Optionholder | Means a holder of HYDO Options. |
| HYDO Optionholder Offer | Means the offer under the Prospectus to Eligible HYDO Optionholders, of Loyalty Options at a ratio of one (1) Loyalty Option for every one (1) HYDO Option held as at 4.59pm (Melbourne time) on 31 July 2022. |

| | |
|---|---|
| Institutional Entitlement Offer | Means the institutional component of the Entitlement Offer, the results of which were announced to the ASX on 19 September 2022. |
| Institutional Shortfall Facility | Means the process undertaken to sell Shares not taken up by eligible institutional investors under the Institutional Entitlement Offer. |
| 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. |
| Listing Rules | Means the ASX Listing Rules. |
| Loyalty Option | Means an Option exercisable into a Share at an exercise price of \$0.12, and expiring 5.00pm (Melbourne time) on 31 December 2023, with the terms and conditions set out in Annexure A. |
| Loyalty Options Offer | Means the offer of Loyalty Options made by the Company pursuant the Prospectus, comprising the Shareholder Offer and the HYDO Optionholder Offer. |
| LTIP | Means the Company's Long Term Incentive Plan. |
| Option | Means an option to acquire a Share. |
| Piggyback Option | Means an Option exercisable into a Share at an exercise price of \$0.28 and expiring 5.00pm (Melbourne time) on 30 April 2025, which the Company will issue to holders of Loyalty Options who: (a) have a registered address in Australia or New Zealand, or any jurisdiction that the Company determines, in its sole discretion, it is reasonable to make the offer of Piggyback Options having regard to applicable laws; and (b) exercise their Loyalty Options on or before the Early Exercise Date, on the basis of one (1) Piggyback Option for every two (2) Loyalty Options exercised. |
| Prospectus | Means the prospectus dated 28 October 2022 lodged by the Company with ASIC, in relation to the Loyalty Options Offer. |
| Share | Means a fully paid ordinary share in the capital of the Company. |
| Shareholder | Means a holder of a Share. |
| Underwriter | Means the underwriter of the Loyalty Options Offer, Baker Young Limited (ABN 92 006 690 320). |

Annexure A – Terms of Loyalty Options

1. Terms of Loyalty Options

The material terms and conditions of the Loyalty Options are as follows:

(a) **Entitlement**

Each Loyalty Option entitles the holder to subscribe for one (1) Share in the Company upon exercise of the Loyalty Option.

(b) **Exercise Price**

The amount payable upon exercise of each Loyalty Option will be A\$0.12 (**Exercise Price**).

(c) **Expiry Date**

Each Loyalty Option will expire at 5.00pm (Melbourne time) on 31 December 2023 (**Expiry Date**). Any Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Loyalty Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Early Exercise**

For every two (2) Loyalty Options exercised by a holder on or before 5.00pm (Melbourne time) on 30 April 2023 (**Early Exercise Date**), the Company will issue one (1) free option to acquire one (1) Share, with an exercise price of A\$0.28, expiring 5.00pm (Melbourne time) on 30 April 2025 (**Piggyback Option**). In order to receive any Piggyback Options, Loyalty Option holders must:

- (i) have a registered address in Australia or New Zealand, or any jurisdiction that the Company determines, in its sole discretion, it is reasonable to make the offer of Piggyback Options having regard to applicable laws; and
- (ii) exercise their Loyalty Options on or before the Early Exercise Date.

(f) **Notice of Exercise**

The Loyalty Options may be exercised during the Exercise Period by notice in writing to the Company in the manner acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Loyalty Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Loyalty Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 10 Business Days after the Exercise Date:

- (i) the Company will issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if the Company is admitted to the Official List of ASX at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Loyalty Options.

(i) **Timing of issue of Piggyback Options on early exercise**

In the event that the holder exercises Loyalty Options on or before the Early Exercise Date, then within 70 Business Days after the Early Exercise Date, the Company will issue to that holder one (1) Piggyback Option for every two (2) Loyalty Options exercised.

(j) **Shares issued on exercise**

Shares issued on exercise of the Loyalty Options rank equally with the then issued ordinary shares of the Company.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options without exercising the Loyalty Options.

(l) **Change in exercise price**

A Loyalty Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

(m) **Reconstruction**

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Loyalty Option holder shall be changed to the extent necessary to comply with the Listing Rules applying at the time.

(n) **Quotation and transferability**

The Loyalty Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws, and it is intended that application will be made to ASX for Official Quotation of the Loyalty Options.



All Correspondence to:

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

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (Melbourne Time) on Monday 28 November 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/hydrixagm2022>
- 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 **10:00am (Melbourne Time) Monday 28 November 2022.** 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/hydrixagm2022>

📠 **By Fax** + 61 2 9290 9655

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

👤 **In Person** **Until 28 October 2022**
Boardroom Pty Limited
Level 12, 225 George Street,

From 31 October 2022
Boardroom Pty Limited
Level 8, 210 George Street

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

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 at **Holding Redlich, Level 8, 555 Bourke Street, Melbourne VIC 3000 on Wednesday, 30 November 2022 at 10:00am (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.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

The Chair of the Meeting is 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 Resolution 1 & 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 & 6 is 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 Resolution 1 & 6). 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* | | | FOR | AGAINST | ABSTAIN* |
|---------------|---|--------------------------|--------------------------|--------------------------|---------------|---|--------------------------|--------------------------|--------------------------|
| Res 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 3F | Approval for Director Paul Wright to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 2 | Re-election of Ms Julie King as Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 3G | Approval for John King to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 3A | Approval to issue Loyalty Options under HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 4 | Approval for Director participation in Entitlement Offer Shortfall Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 3B | Approval for Director Joanne Bryant to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 5 | Approval of 10% Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 3C | Approval for Director Gavin Coote to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Res 6 | Approval of Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Res 3D | Approval for Director Julie King to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Res 3E | Approval for Director Paul Lewis to participate in HYDO Optionholder Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022

28 October 2022

Dear Shareholder,

2022 ANNUAL GENERAL MEETING – NOTICE OF ACCESS

Hydrix Limited (ASX: **HYD**) (**Hydrix** or the **Company**) advises that it will hold its Annual General Meeting of shareholders on Wednesday 30 November 2022 at 10.00am (Melbourne time), at Holding Redlich, Level 8, 555 Bourke Street, Melbourne VIC 3000 (**AGM**).

The Notice of Meeting can be viewed and downloaded at <https://www.hydrix.com/2022-agm>, and will also be available through the Company's announcement page on the ASX website www.asx.com.au, search code "HYD".

The Company's 2022 Annual Report is available at <https://www.hydrix.com/about/investor-information>.

You can request a hard copy of the Notice of Meeting or Annual Report by contacting Boardroom Pty Limited on 1300 737 760 (in Australia) or +61 2 9290 9600 (International).

VOTING BY PROXY

Shareholders are strongly encouraged to vote by proxy prior to the meeting. Shareholders must complete and submit their proxies before **10.00am (Melbourne time) on Monday 28 November 2022**.

Your personalised proxy form is **enclosed**. To vote by proxy, please follow the instructions set out in the proxy form.

QUESTIONS

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 2022, 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 Wednesday 23 November 2022**. Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in the Notice of Meeting. Please note that individual responses will not be sent to shareholders.

My fellow Directors and I look forward to your participation at the AGM and appreciate your ongoing support.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Gavin Coote".

Gavin Coote
Executive Chairman