

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

The Hydration Pharmaceuticals Company Limited

ABN/ARBN

83 620 385 677

Financial year ended:

31 December 2023

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://hydralyte.com/pages/investors>

The Corporate Governance Statement is accurate and up to date as at 31 December 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 March 2024

Name of authorised officer authorising lodgement: Victoria Nadalin

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our Board Charter at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a): as set out in our Corporate Governance Statement. and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a): as set out in our Corporate Governance Statement.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the Remuneration and Nomination Committee Charter at: https://hydralyte.com/pages/investors and the information referred to in paragraphs (4) and (5) as set out in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors: as set out in our Corporate Governance Statement.</p> <p>and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement.</p> <p>and the length of service of each director: as set out in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Code of Conduct Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our Code of Conduct Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our Whistleblower Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our Anti-bribery and Corruption Policy in section 5 of Part B of our Code of Conduct Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the Audit, Risk and Compliance Committee Charter at: https://hydralyte.com/pages/investors and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our Continuous Disclosure Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website and in our Communication Strategy Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Communication Strategy Policy at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the Audit, Risk and Compliance Committee Charter at:</p> <p>https://hydralyte.com/pages/investors</p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Audit, Risk and Compliance Committee Charter at:</p> <p>https://hydralyte.com/pages/investors</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: As set out in our Corporate Governance Statement and, if we do, how we manage or intend to manage those risks in our Audit, Risk and Compliance Committee Charter at: https://hydralyte.com/pages/investors	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the Remuneration and Nomination Committee Charter at: https://hydralyte.com/pages/investors and the information referred to in paragraphs (4) and (5): as set out in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Remuneration Report, as set out in the Company's Annual Report for the financial year ended 31 December 2023.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our Securities Dealing Policy at: https://hydralyte.com/pages/investors</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> Not applicable.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/> Not applicable.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/> Not applicable.	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

The Hydration Pharmaceuticals Company Limited ACN 620 385 677 (Company)
CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement discloses the extent to which the Company followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**) during the reporting period ended 31 December 2023 (**Reporting Period**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the Recommendations.

The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at: <https://hydralyte.com/pages/corporate-governance>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1</p> <p>(a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	Yes	<p>The board of directors (Board) has adopted a written charter to provide a framework for the effective operation of the Board, which sets out the Board's composition, role and responsibilities and the relationship and interaction between the Board and management, and the authority delegated by the Board to management and any Board committees.</p> <p>The respective roles and responsibilities of the Board and management are defined under the Board Charter, a copy of which is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon officers of the Company.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a Director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.</p>	Yes	<p>The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>Under the Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee is required to undertake appropriate checks before appointing a senior executive, or before appointing a person, or putting forward to shareholders a new candidate for election, as a Director.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		Further, shareholders are required to be provided with all material information in the Committee's possession which is relevant to a decision on whether or not to elect or re-elect a Director in the Notice of Meeting containing the resolution to elect or re-elect a Director, including confirmation that relevant checks as to a candidates character, expertise, education, criminal record and bankruptcy history have been conducted.
<p>Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their Appointment.</p>	Yes	<p>The Company's Remuneration and Nomination Committee Charter requires the Remuneration and Nomination Committee to ensure that each Director is a party to a written agreement with the Company which sets out the terms of that Director's appointment. The Board Charter further sets out that each Director and senior management will enter into a written agreement with the Company setting out their roles and responsibilities.</p> <p>The Company has entered into a written agreement with each director and senior executive setting out the terms of their appointment.</p>
<p>Recommendation 1.4 The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	Yes	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable to the Board through the Board Chair, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary.</p> <p>The role of the company secretary is outlined in the Board Charter, a copy of which is available on the Company's website at: https://hydralyte.com/pages/investors</p>
<p>Recommendation 1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and 	Partially	<p>The Board has adopted a Diversity Policy, which sets out the Company's vision for diversity, incorporating a number of different factors including gender, ethnicity and socio-economic background. A copy of the Diversity Policy is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>The Diversity Policy requires the Company to establish appropriate and measurable objectives for achieving gender and other forms of diversity in the composition of the Board, senior executive and the workforce generally. The Remuneration and Nomination Committee will undertake an annual review of the Company's progress towards the achievement of the measurable and the effectiveness of the Policy.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
<p>(iii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>The Board assessed the gender diversity of the Company at the end of the Reporting Period and discloses the following proportions of men and women:</p> <ul style="list-style-type: none"> • whole organisation: 4 men and 5 women; • senior executive positions: 2 men and 0 women; • Board: 2 men and 2 women*. <p>*including the Company Secretary</p> <p>The Board considers ‘senior executives’ to be the CEO and CFO.</p> <p>During the Reporting Period, the Board determined not to set measurable objectives for achieving gender diversity having regard to the present size and operations of the Company, and the current gender diversity among employees.</p> <p>The Board considers that the requirements of the Company’s Diversity Policy are sufficient for the Company’s present circumstances to ensure gender diversity remains a priority in the Company’s growth and business strategies. The Company remains committed to adopting goals that are appropriate for the Company’s current size while pursuing diversity goals as it grows.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>Under the Board Charter and the Remuneration and Nomination Committee Charter, the Board is required, at least once per year, with the advice and assistance of the Remuneration and Nomination Committee, to review and evaluate the performance of the Board, its committees, individual directors, the Chief Executive Officer and other members of the management team against the relevant charters, corporate governance policies, and agreed goals and objectives (as applicable) and where applicable use an external consultant to do so against appropriate measures.</p> <p>In 2022, the Board engaged an external advisor to facilitate a thorough Board performance evaluation of the Board, Chair and individual directors including among other things, the current skill sets of the Board of Directors. The Board performance evaluation was completed during the Reporting Period. During the Reporting Period, the Board has actioned the recommendations arising from the evaluation and is continuing to implement the recommendations on an ongoing basis.</p> <p>In addition, the Board also continuously evaluates the Board’s performance</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		<p>and processes, including evaluating the process, content and conduct of each Board and Committee meeting as a standing agenda item at each meeting.</p> <p>For further details, please refer to the Board Charter and Remuneration and Nomination Committee Charter available on the Company's website at: https://hydralyte.com/pages/investors</p>
<p>Recommendation 1.7 A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>Under the Board Charter and the Remuneration and Nomination Committee Charter, the Board (with the advice and assistance of the Remuneration and Nomination Committee) is responsible for reviewing and approving the performance of the members of the executive leadership team, including the Chief Executive Officer.</p> <p>During the Reporting Period, the Company undertook an internal performance review of the Chief Executive Officer and Chief Financial Officer.</p> <p>For further details, please refer to the Board Charter and Remuneration and Nomination Committee Charter available on the Company's website at: https://hydralyte.com/pages/investors</p>
Principle 2: Structure the Board to be effective and add value		
<p>Recommendation 2.1 The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the</p>	Yes	<p>The Board has established a Remuneration and Nomination Committee to oversee the selection and appointment practices of the Company.</p> <p>The Remuneration and Nomination Committee is governed by a Remuneration and Nomination Committee Charter, which is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>As at the date of this Corporate Governance Statement, the Remuneration and Nomination Committee is comprised of:</p> <ul style="list-style-type: none"> • George Livery (Chairman - Independent Non-Executive Director and Board Chairman) • Margaret Hardin (Independent Non-Executive Director) • Adem Karafili (Non-Executive Director) <p>The Company notes that Gretta van Riel resigned as an independent non-executive director effective on and from 26 September 2023. At the time of resignation, Gretta van Riel's appointment as a member of the Remuneration & Nomination Committee automatically terminated. Margaret</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION															
<p>appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p>Hardin was appointed as a member of the Remuneration and Nomination Committee effective 26 September 2023.</p> <p>In respect of the Reporting Period, the number of Remuneration & Nomination Committee meetings and the individual attendances of the members at those meetings are as follows:</p> <table border="1" data-bbox="1218 467 2101 740"> <thead> <tr> <th data-bbox="1218 467 1514 544">Director</th> <th data-bbox="1514 467 1807 544">Number Eligible to Attend</th> <th data-bbox="1807 467 2101 544">Number Attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="1218 544 1514 592">George Livery</td> <td data-bbox="1514 544 1807 592">3</td> <td data-bbox="1807 544 2101 592">3</td> </tr> <tr> <td data-bbox="1218 592 1514 639">Gretta van Riel</td> <td data-bbox="1514 592 1807 639">2</td> <td data-bbox="1807 592 2101 639">2</td> </tr> <tr> <td data-bbox="1218 639 1514 687">Adem Karafili</td> <td data-bbox="1514 639 1807 687">3</td> <td data-bbox="1807 639 2101 687">3</td> </tr> <tr> <td data-bbox="1218 687 1514 740">Margaret Hardin</td> <td data-bbox="1514 687 1807 740">1</td> <td data-bbox="1807 687 2101 740">1</td> </tr> </tbody> </table>	Director	Number Eligible to Attend	Number Attended	George Livery	3	3	Gretta van Riel	2	2	Adem Karafili	3	3	Margaret Hardin	1	1
Director	Number Eligible to Attend	Number Attended															
George Livery	3	3															
Gretta van Riel	2	2															
Adem Karafili	3	3															
Margaret Hardin	1	1															
<p>Recommendation 2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.</p>	Yes	<p>Under the Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review the skillset of the Board at least annually against the Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.</p> <p>The Board skills matrix is annexed to this Corporate Governance Statement.</p>															
<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	Yes	<p>The Board assesses the independence of its directors against the requirements for independence in the Board Charter which reflect the independence criteria detailed in the ASX Corporate Governance Principles.</p> <p>Director independence is initially assessed upon each director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors are required to disclose all actual or potential conflicts of interest on an ongoing basis.</p> <p>As at the date of this Corporate Governance Statement, the Board consists of 3 directors, with each of Mr George Livery and Ms Margaret Hardin considered to be independent, non-executive directors.</p>															

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		<p>The length of service of each Director who served during the Reporting Period is as follows:</p> <ul style="list-style-type: none"> • Adem Karafili: appointed 15 October 2018; • George Livery: appointed 2 November 2021; • Gretta van Riel: appointed 2 November 2021 and resigned as a non-executive director effective 26 September 2023; • Margaret Hardin: appointed 8 February 2022.
<p>Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.</p>	Yes	The Board consists of a majority of independent Directors consistent with Recommendation 2.4.
<p>Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	The current Chair of the Board, George Livery, is considered an independent director and is not the same person as the CEO of the Company.
<p>Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	Yes	<p>In accordance with the Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee is responsible for ensuring that an effective Director induction process is in place, regularly reviewing its effectiveness and providing appropriate professional development opportunities for Directors.</p> <p>Upon appointment, new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively</p> <p>The Remuneration and Nomination Committee Charter is available on the Company's website at: https://hydralyte.com/pages/investors</p>
<p><i>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</i></p>		
<p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p>	Yes	The Company is committed to conducting all of its business activities in a way that reflects its core values, which include: sustainability, healthy living, integrity and the highest standards of ethical, responsible and law-abiding behavior.

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		<p>The Company's values are set out in the Code of Conduct and are available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>The Board and management believe that the Company's commitment to its Code of Conduct will maintain the confidence of the Company's key stakeholders in the Company's integrity.</p>
<p>Recommendation 3.2 A listed entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	Yes	<p>The Company has adopted a Code of Conduct which applies to all directors, officers and employees of the Company as well as consultants and other persons that act on behalf of the Company or related bodies corporate or affiliates of the Company.</p> <p>Any potential breaches of the Company's Code of Conduct, Company policies or the law are required to be reported to management, the Board Representative or any Director, the Company's Chief Executive Officer or the Company Secretary. Any material reports of unacceptable behaviour under the Company's Code of Conduct will be reviewed by the Board Representative and reported to the Audit, Risk and Compliance Committee for consideration.</p> <p>The Code of Conduct is available on the Company's website at: https://hydralyte.com/pages/investors</p>
<p>Recommendation 3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company's whistleblower policy is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>This policy is made in accordance with the relevant legislation under the Whistleblowing legislation (The Taxation Administration Act, and the Corporations Act). The policy ensures that the Board will be informed of any material incidents reported under the Policy, as appropriate. The Board will review and update this policy as required, at minimum, every two years to maintain relevance and compliance.</p>
<p>Recommendation 3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.</p>	Yes	<p>The Company's anti-bribery and corruption policy is set out at section 5 of Part B of the Company's Code of Conduct.</p> <p>All suspected, attempted or actual fraud or corruptions incidents are to be immediately reported to the reporting manager of an employee or a Board Representative.</p> <p>The Code of Conduct is available on the Company's website at: https://hydralyte.com/pages/investors</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION															
Principle 4: Safeguard the integrity of corporate reports																	
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>The Company has established the Audit, Risk and Compliance Committee and adopted the Audit, Risk and Compliance Charter. As at the date of this Corporate Governance Statement, the Audit, Risk and Compliance Committee is comprised of:</p> <ul style="list-style-type: none"> • Margaret Hardin (Chair and Independent Non-Executive director) • George Livery (Independent Non-Executive Director) • Adem Karafili (Non-Executive Director) <p>The Company notes that Gretta van Riel resigned as a non-executive director effective on and from 26 September 2023. At the time of resignation, Gretta van Riel's appointment as a member of the Audit, Risk and Compliance Committee automatically terminated. Adem Karafili was appointed as a member of the Audit, Risk and Compliance Committee effective 26 September 2023.</p> <p>The relevant qualification and experience of the members of the Audit, Risk and Compliance Committee are disclosed in the Annual Report.</p> <p>In respect of the Reporting Period, the number of Audit, Risk and Compliance Committee meetings and the individual attendances of the members at those meetings are as follows:</p> <table border="1" data-bbox="1240 999 2024 1273"> <thead> <tr> <th>Director</th> <th>Number Eligible to Attend</th> <th>Number Attended</th> </tr> </thead> <tbody> <tr> <td>Adem Karafili</td> <td>1</td> <td>1</td> </tr> <tr> <td>George Livery</td> <td>4</td> <td>4</td> </tr> <tr> <td>Gretta van Riel</td> <td>3</td> <td>2</td> </tr> <tr> <td>Margaret Hardin</td> <td>4</td> <td>4</td> </tr> </tbody> </table> <p>The Company notes that directors that are not members of the Audit, Risk and Compliance Committee during the full, or part thereof of the Reporting Period, are invited to attend the meetings on a voluntary basis should they choose to attend.</p>	Director	Number Eligible to Attend	Number Attended	Adem Karafili	1	1	George Livery	4	4	Gretta van Riel	3	2	Margaret Hardin	4	4
Director	Number Eligible to Attend	Number Attended															
Adem Karafili	1	1															
George Livery	4	4															
Gretta van Riel	3	2															
Margaret Hardin	4	4															

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		Please also refer to the Company's Audit, Risk and Compliance Committee Charter available via the Company's website, https://hydralyte.com/pages/investors for further details.
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>Prior to the Board approving the Company's financial statements (including Appendix 4Cs), the Audit, Risk and Compliance Committee and the Board is required to receive from the CEO and CFO a declaration (CEO and CFO Declarations) that, in their opinion, the financial records of the entity have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>During the Reporting Period, the CEO and CFO Declarations for each relevant reporting period were delivered to the Board before it approved the Company's relevant financial statements.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>The Company's Audit, Risk and Compliance Committee is responsible for ensuring that any periodic corporate report the Company releases to the market that has not been subject to audit or review by an external auditor discloses the process taken to verify the integrity of its content.</p> <p>During the Reporting Period, the Board reviewed and approved the release of each unaudited periodic corporate report and was given the opportunity to question management as to its content. The Board was also provided with a declaration from the Chief Executive Officer and the Chief Financial Officer under Recommendation 4.2 in respect of each unaudited periodic corporate report.</p> <p>Please also refer to the Company's Audit, Risk and Compliance Committee Charter available via the Company's website, https://hydralyte.com/pages/investors for further details.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	Yes	<p>The Company has adopted a written Continuous Disclosure Policy to reinforce the Company's commitment to its continuous disclosure obligations, and to describe the processes in place that enable the Company to provide shareholders with timely disclosure in accordance with these obligations.</p>

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		A copy of the Company's Continuous Disclosure Policy is available on its website at: https://hydralyte.com/pages/investors
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	<p>Under the Company's Continuous Disclosure Policy, all members of the Board receive material market announcements promptly after they have been made.</p> <p>A copy of the Company's Continuous Disclosure Policy is available on its website at: https://hydralyte.com/pages/investors</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	Yes	All substantive investor or analyst presentations made by the Company are released on the ASX Markets Announcement Platform ahead of such presentations.
Principle 6: <i>Respect the rights of security holders</i>		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>The Company provides investors with comprehensive and timely access to information about itself and its governance on its website at https://hydralyte.com/pages/investors including copies of the Company's Constitution, Board and Committee charters and key corporate governance policies, copies of all material information lodged with ASX, copies of all announcements, briefings and speeches made to the market, analysts or the media, press releases or announcements made by the Company, financial data for the Company, the Company's annual reports and notices of shareholder meetings.</p> <p>Further details are detailed in the Company's Communication Strategy a copy which is available at https://hydralyte.com/pages/investors</p>
<p>Recommendation 6.2</p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Yes	<p>The Company's Communications Strategy establishes procedures to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of the Company. The Strategy outlines procedures for two-way communication with investors.</p> <p>Please refer to the Company's Communications Strategy available via the Company's website, https://hydralyte.com/pages/investors for further details.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Yes	The company encourages full participation of its shareholders at all general meetings and AGMs of the Company.

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		<p>Subject to applicable public health regulations at the time, the Company has the ability to utilise technology to facilitate participation at general meetings, including live webcasting of meetings, holding meetings across multiple venues via live telecommunications, and hybrid meetings allowing shareholders to attend and vote in person, by proxy or online.</p> <p>Shareholders also have an opportunity to submit questions to the Board or the Company's external auditor prior to the general meetings or during the general meetings.</p> <p>Please refer to the Company's Communications Strategy available via the Company's website, https://hydralyte.com/pages/investors for further details.</p>
<p>Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	The Company will ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands.
<p>Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	<p>The Company's Communication Strategy ensures that Shareholders are able to access information relevant to their shareholding in the Company. The Company provides contact details, which are published on the Company's website, to assist shareholders with any queries. Information is also communicated to shareholders via periodic mail outs, or by email to shareholders who have provided their email address. Shareholders have the ability to contact the Company directly via email at info@hydralyte.com</p> <p>Please refer to the Company's Communications Strategy available via the Company's website, https://hydralyte.com/pages/investors for further details.</p> <p>Upon becoming a shareholder in the Company, the Company's share registry, Automic, also sends each shareholder a written notice giving the holder the option to receive communications from the Company and its security registry electronically.</p>
<p><i>Principle 7: Recognise and manage risk</i></p>		
<p>Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:</p>	Yes	The Company has established the Audit, Risk and Compliance Committee and adopted the Audit, Risk and Compliance Charter. As at the date of this Corporate Governance Statement, the Audit, Risk and Compliance Committee is comprised of:

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION															
<p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		<ul style="list-style-type: none"> • Margaret Hardin (Chair and Independent Non-Executive director) • George Livery (Independent Non-Executive Director) • Adem Karafili (Non-Executive Director) <p>The Company notes that Gretta van Riel resigned as a non-executive director effective on and from 26 September 2023. At the time of resignation, Gretta van Riel's appointment as a member of the Audit, Risk and Compliance Committee automatically terminated. Adem Karafili was appointed as a member of the Audit, Risk and Compliance Committee effective 26 September 2023.</p> <p>In respect of the Reporting Period, the number of Audit, Risk and Compliance Committee meetings and the individual attendances of the members at those meetings are as follows:</p> <table border="1" data-bbox="1240 695 2024 967"> <thead> <tr> <th>Director</th> <th>Number Eligible to Attend</th> <th>Number Attended</th> </tr> </thead> <tbody> <tr> <td>Adem Karafili</td> <td>1</td> <td>1</td> </tr> <tr> <td>George Livery</td> <td>4</td> <td>4</td> </tr> <tr> <td>Gretta van Riel</td> <td>3</td> <td>2</td> </tr> <tr> <td>Margaret Hardin</td> <td>4</td> <td>4</td> </tr> </tbody> </table> <p>The Company notes that directors that are not members of the Audit, Risk and Compliance Committee during the full, or part thereof of the Reporting Period, are invited to attend the meetings on a voluntary basis should they choose to attend.</p> <p>Please also refer to the Company's Audit, Risk and Compliance Committee Charter available via the Company's website, https://hydralyte.com/pages/investors for further details.</p>	Director	Number Eligible to Attend	Number Attended	Adem Karafili	1	1	George Livery	4	4	Gretta van Riel	3	2	Margaret Hardin	4	4
Director	Number Eligible to Attend	Number Attended															
Adem Karafili	1	1															
George Livery	4	4															
Gretta van Riel	3	2															
Margaret Hardin	4	4															
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p>	Yes	<p>The Company's Audit, Risk and Compliance Committee is responsible for overseeing the effectiveness of the Company's risk identification and management framework to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p>															

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>		<p>During the Reporting Period, the Audit, Risk and Compliance Committee and the Board conducted an extensive review, update and analysis of the Company's risk management framework and risk register in order to update existing risks and identify and discuss new and emerging risks. As part of the development and review process, the Audit, Risk and Compliance Committee developed a fulsome risk management framework which was approved by the Board.</p> <p>Please also refer to the Company's Audit and Risk Management Committee Charter available via the Company's website, https://hydralyte.com/pages/investors for further details.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Yes	<p>The Company does not have an internal audit function.</p> <p>The Audit, Risk and Compliance Committee is required to establish procedures for the receipt, retention, and treatment of concerns received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.</p> <p>A copy of the Company's Audit, Risk and Compliance Committee Charter is available on the Company's website at https://hydralyte.com/pages/investors</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Audit, Risk and Compliance Committee Charter provides that the Audit, Risk and Compliance Committee is responsible for overseeing that management designs and implements an appropriate and effective risk management framework which adequately deals with contemporary and emerging risks, including conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability, climate change, national or global health crises and epidemics. During the Reporting Period, the Board considered that the Company had no material exposure to any environmental or social risks. Given the nature and size of the Company's business and operations, the Company has not identified any material environmental or social risks. A copy of the Company's Audit, Risk and Compliance Committee Charter is available on the Company's website at https://hydralyte.com/pages/investors</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION															
<p>Recommendation 8.1 The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company has established the Remuneration and Nomination Committee and adopted the Remuneration and Nomination Charter, a copy of which is available on the Company's website at: https://hydralyte.com/pages/investors</p> <p>As at the date of this Corporate Governance Statement, the Remuneration and Nomination Committee is comprised of:</p> <ul style="list-style-type: none"> • George Livery (Chair and Independent Non-Executive director) • Adem Karafili (Non-Executive Director) • Margaret Hardin (Independent Non-Executive Director) <p>The Company notes that Gretta van Riel resigned as a non-executive director effective on and from 26 September 2023. At the time of resignation, Gretta van Riel's appointment as a member of the Remuneration & Nomination Committee automatically terminated. Margaret Hardin was appointed as a member of the Remuneration and Nomination Committee effective 26 September 2023.</p> <p>In respect of the Reporting Period, the number of Remuneration & Nomination Committee meetings and the individual attendances of the members at those meetings are as follows:</p> <table border="1" data-bbox="1218 927 2101 1201"> <thead> <tr> <th>Director</th> <th>Number Eligible to Attend</th> <th>Number Attended</th> </tr> </thead> <tbody> <tr> <td>George Livery</td> <td>3</td> <td>3</td> </tr> <tr> <td>Gretta van Riel</td> <td>2</td> <td>2</td> </tr> <tr> <td>Adem Karafili</td> <td>3</td> <td>3</td> </tr> <tr> <td>Margaret Hardin</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	Director	Number Eligible to Attend	Number Attended	George Livery	3	3	Gretta van Riel	2	2	Adem Karafili	3	3	Margaret Hardin	1	1
Director	Number Eligible to Attend	Number Attended															
George Livery	3	3															
Gretta van Riel	2	2															
Adem Karafili	3	3															
Margaret Hardin	1	1															
<p>Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>	Yes	<p>The Company discloses its policies and practices regarding the remuneration of Directors and senior executives in the remuneration report contained in the Company's Annual Report.</p> <p>The Company's Remuneration Policy and Remuneration and Nomination Committee Charter discloses its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.</p>															

RECOMMENDATIONS (4 TH EDITION)	COMPLY (Yes/No)	EXPLANATION
		Please see the Remuneration Policy and Remuneration and Nomination Committee Charter available on the website at: https://hydralyte.com/pages/investors
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has adopted a Securities Dealing Policy which provides that employees must not deal in the Company's securities on a speculative or short-term trading basis or enter into a margin lending arrangement or transfer securities in the Company into an existing margin loan account. Entry into any hedging arrangements that operate to limit the economic risk associated with holding the Company's securities are subject to certain rules set out in the Policy.</p> <p>A copy of the Securities Dealing Policy is available on the Company's website at https://hydralyte.com/pages/investors</p>

Additional recommendations that apply only in certain cases		
<p>Recommendation 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	N/A	N/A
<p>Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	N/A	N/A
<p>Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	N/A	N/A

ANNEXURE A:

BOARD SKILLS MATRIX

This Board skills matrix details the collective skills, knowledge, experience, personal attributes and other criteria the Board of Directors currently believe are required for the good governance of the Company. The Board will assess all future candidates for Board positions, and the performance of its current members, against these criteria in accordance with the ASX Corporate Governance Principles and Recommendations.

Professional Skills

- Strategic planning
- Financial performance
- Risk & compliance oversight
- Corporate governance
- Marketing & Product Development
- E-Commerce
- Executive management
- Board Experience
- Business development
- Commercial Experience

Sector Skills

- Mergers & Divestments
- Building large scale global organisations
- North America, Europe and China