



Notice of Annual General Meeting and explanatory memorandum

Hydrix Limited

ACN 060 369 048

Date: Wednesday 24 November 2021

Time: 11.30 am (Melbourne time)

Place: Via virtual technology

IMPORTANT INFORMATION

COVID-19 arrangements

Hydrix Limited (**Hydrix** or the **Company**) advises that it will hold its 2021 Annual General Meeting of shareholders on Wednesday 24 November 2021 at 11.30am (**Melbourne time**) (**AGM** or **Meeting**).

The safety of Hydrix's shareholders, employees and other stakeholders is the Company's highest priority. Based on current regulatory guidance, the Company has determined that the AGM will be held entirely by technology, as permitted by temporary amendments to the requirements for holding shareholder meetings in Australia. There will not be a physical venue for Shareholders to attend the AGM.

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

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), you may do so from your computer or mobile device, by **entering the following URL into your browser**:

<https://web.lumiagm.com/388267412>

You can log in to the meeting by entering:

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

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

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

Questions from Shareholders

In order to provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, Grant Thornton, in relation to the conduct of the external audit for the year ended 30 June 2021, 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 17 November 2021**.

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

You may also ask questions during the Meeting via the Lumi platform, either verbally or in writing.

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 22 November 2021**, subject to any applicable voting exclusion.

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

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

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the Meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the Meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the Meeting.
- (e) A proxy form accompanies this Notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this Notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **11.30 am (Melbourne time) on Monday 22 November 2021** at the share registry, being Boardroom Pty Limited, as follows:

Online	https://www.votingonline.com.au/hydrixagm2021
By post	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
By facsimile	+61 9290 9655

Proxy voting by the Chairman

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

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

The Chairman of the Meeting intends to vote all available undirected proxies in favour of each item of business.

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 5.

In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 5. 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 5, he or she will not vote your proxy on those resolutions.

NOTICE OF 2021 ANNUAL GENERAL MEETING

Notice is given that the 2021 Annual General Meeting of Hydrix Limited ACN 060 369 048 (the **Company**) will be held via virtual technology on Wednesday 24 November 2021 at 11.30 am (Melbourne time)

BUSINESS OF THE MEETING

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

Financial and related reports

Item 1	Financial and related reports
Description	To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2021.

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 2021 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 2021 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 2021, 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 2A	Re-election of Mr Paul Wright as Director
Description	Mr Paul Wright, who was appointed as a Director on 8 August 2018, retires as a Director in accordance with rule 3.6(a) of the Company's Constitution and, being eligible, offers himself for re-election.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr Paul Wright, who retires as a Director in accordance with ASX Listing Rule 14.5 and rule 3.6(a) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."</i>

Resolution 2B	Re-election of Mr Paul Lewis as Director
Description	As announced by Hydrix on 26 October 2021, Mr Paul Lewis will be appointed as a Non-Executive Director with effect from 28 October 2021. As Mr Lewis' appointment will take effect prior to the date of the Meeting, Mr Lewis will retire as a Director in accordance with rule 3.3(a) of the Company's Constitution and offer himself for re-election at the Meeting.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT Mr Paul Lewis, who retires as a Director in accordance with rule 3.3(a) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."</i>

Approval for issue of securities

Resolution 3	Approval for issue of Shares to Jasper Capital Ltd
Description	The Company seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of Shares to Jasper Capital Ltd.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 4,500,000 Shares to Jasper Capital Ltd, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."</i>
Voting Exclusion	The Company will disregard any votes cast in favour of this resolution by or on behalf of: (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Shares to Jasper Capital Ltd (except a benefit solely by reason of being a holder of Shares in the Company); and (b) any associates of the persons named in sub-paragraph (a). However, this does not apply to a vote cast in favour of a resolution by: (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

	<p>(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</p> <p>(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:</p> <p>(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</p> <p>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p>
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Approval of 10% Placement Capacity

Resolution 4	Approval of 10% Placement Capacity
Description	The Company seeks approval of shareholders to be able to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its 15% Placement Capacity under ASX Listing Rule 7.1.
Resolution (Special)	To consider and, if thought fit, pass the following resolution as a special resolution : <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 ASX Listing Rule 7.1A.

Approval for issue of Performance Rights to Gavin Coote under LTIP

Resolution 5	Approval for issue of Performance Rights to Gavin Coote under LTIP
Description	The Company seeks Shareholder approval for the issue of Performance Rights to Mr Gavin Coote (Executive Chairman),
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution : <i>“THAT, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the Company to grant 5,250,000 Performance Rights, each exercisable into 1 Share in the Company, to Mr Gavin Coote (or his nominee(s)), and the issue of underlying Shares in respect of those Performance Rights, pursuant to the Long Term Incentive Plan and on the terms set out in the Explanatory Memorandum accompanying this Notice.”</i>
Voting Exclusion	The Company will disregard any votes cast: <p>(a) in favour of the resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP, or any of their associates; and</p> <p>(b) on the resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP’s Closely Related Party.</p>

	<p>However, this does not apply to a vote cast on the 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; (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 resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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Amendment of Company constitution

Resolution 6	Amendment of Company Constitution
Description	The Company seeks to amend its current Constitution to facilitate the holding of virtual general meetings.
Resolution (Special)	<p>To consider and, if thought fit, pass the following resolution as a special resolution:</p> <p><i>“THAT, for the purposes of section 136(2) of the Corporations Act 2001 (Cth), and for all other purposes, the amendments to the Company constitution as set out in the Explanatory Memorandum accompanying this Notice be approved and adopted.”</i></p>

Dated: 26 October 2021

By order of the Board of Hydrix Limited

Alyn Tai
Company Secretary

EXPLANATORY MEMORANDUM TO NOTICE OF 2021 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 2021 to be laid before the Company's 2021 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 2021 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2021 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 2021, 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 2021 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 2A	Re-election of Mr Paul Wright as Director
<p>Explanation</p>	<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>Under Rule 3.7 of the Constitution, the Directors to retire under rule 3.6 are those who have held office as Director for the longest period of time since their last election to office, or in the event that two or more Directors have held office for the same period of time, those Directors determined by lot.</p> <p>Mr Paul Wright retires as Director in accordance with rule 3.6(a) of the Constitution, being the Director longest in office since their last election in accordance with rule 3.7 of the Constitution.</p> <p>Mr Wright, being eligible, offers himself for re-election as a Director.</p>
<p>About Mr Paul Wright</p>	<p>Mr Paul Wright was first appointed to the Board as a Non-Executive Director on 8 August 2018.</p> <p>Mr Wright has been the CEO of three of Australia’s leading international technology companies. At ASX-listed Universal Biosensors (ASX:UBI), Mr Wright built long term partnerships with global diagnostics leaders Siemens Healthcare and Johnson & Johnson, and led the company through a period of strong growth and new product development. Before UBI, Mr Wright was CEO of Invetech (1999-2007), an internationally renowned product design and development company, and Vision Biosystems (2007-2008), the major subsidiary of an ASX-listed Vision Systems Limited which developed, manufactured and marketed diagnostic instruments and consumables to pathology laboratories worldwide.</p> <p>Prior to this, Mr Wright spent over 8 years working in Europe, North America and Asia with corporate strategy consultants Bain & Company, advising multi-national clients on growth strategy, mergers and acquisitions, and manufacturing improvement. As general manager of corporate development at TNT Logistics, Paul played a key role in the development of a major contracts business in Asia establishing Joint Venture businesses in China, Malaysia and Indonesia.</p> <p>Paul has a Master’s Degree in Engineering from the University of Cambridge, has studied corporate finance at the London Business School, and is a Fellow of the Australian Institute of Company Directors.</p>
<p>Board Recommendation</p>	<p>The Board, with Mr Wright abstaining on making a recommendation, recommends that shareholders vote in favour of Resolution 2A.</p>
<p>Chairman’s available proxies</p>	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2A.</p>

Resolution 2B	Re-election of Mr Paul Lewis as Director
Explanation	<p>As announced by Hydrix to ASX on 26 October 2021, Mr Paul Lewis has been appointed as Non-Executive Director of Hydrix, with such appointment to take effect from 28 October 2021.</p> <p>As Mr Lewis' appointment as Director will take effect prior to the date of the Meeting, Mr Lewis will retire as a Director and offer himself for re-election at the Meeting, in accordance with Rule 3.3(a) of the Constitution.</p>
Relevant provisions of constitution	<p>Rule 3.3 of the Company's constitution provides that the Board may appoint a person to be a Director of the Board at any time (except during a general meeting). Hydrix has appointed Mr Lewis as Director under this Rule 3.3.</p> <p>Under Rule 3.3(a) of the constitution, any Director who is appointed by the Board under Rule 3.3 automatically retires as a Director at the next annual general meeting following his or her appointment, and is eligible for re-election at that general meeting. As Mr Lewis' appointment as Director will take effect prior to the Meeting, Mr Lewis will be retiring as a Director and offering himself for re-election at the Meeting, in accordance with this Rule 3.3(a).</p> <p>Rule 3.3(b) of the Constitution provides that any Director who retires under Rule 3.3(a) is not counted towards the one third of the Directors who are required to retire by rotation at each annual general meeting under Rule 3.6(a).</p>
About Mr Paul Lewis	<p>Mr Lewis has had a long and successful global career. After starting his career in technology leadership positions with blue chip companies including Mobil Oil Corporation and ICL across the UK, Europe and Australia, Mr Lewis became Managing Partner for PA Consulting – Asia, where he established and led offices in Hong Kong, Japan, Malaysia, and Singapore for 12 years.</p> <p>Since retiring from global executive life, Mr Lewis has spent the past 15+ years specialising in a variety of non-executive director and advisory roles assisting high growth companies.</p> <p>Current directorships held by Mr Lewis include Volt Bank Limited, Grassrootz, the Australian British Chamber of Commerce and Chair of ipSCAPE. Mr Lewis recently retired from the Board of the Magellan Financial Group after 15 years where he had served as Director from its inception. He was also Chair of Optal.</p> <p>He has served on several advisory boards such as the Hong Kong Inward Investment Advisory Board, Infrastructure Forum in Indonesia, the British Telecom Global Advisory Board and as Chair of NAB Private Advisory Board.</p> <p>Mr Lewis is an active contributor to the philanthropic sector having held Board roles with Cure Cancer and Tobacco Free and is currently the Chair of the GWS Giants Foundation.</p> <p>He was awarded an MBE in the 2018 Queen's Birthday Honours list for services to bilateral trade. Mr Lewis is a Fellow of the AICD.</p>
Board Recommendation	The Board, with Mr Lewis abstaining on making a recommendation, recommends that shareholders vote in favour of Resolution 2B.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2B.

Approval for issue of securities

Resolution 3	Approval for issue of Shares to Jasper
Explanation	<p>ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue Equity Securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval (15% Placement Capacity).</p> <p>Resolution 3 seeks shareholder approval under ASX Listing Rule 7.1 for the issue of Shares to Jasper Capital Ltd (Jasper), without using the Company's 15% Placement Capacity.</p>
Background	<p>2019 Acquisition Agreement for Guardian System Distribution Rights</p> <p>As announced by Hydrix on 2 October 2019:</p> <ul style="list-style-type: none"> ▪ In October 2019, Hydrix entered into an agreement (2019 Acquisition Agreement) to acquire the exclusive rights to distribute the AngelMed Guardian® System (Guardian System) in eight Asia Pacific countries (Distribution Rights), from Jasper Capital Ltd (Jasper), the party which owned those Distribution Rights. ▪ Under the terms of the 2019 Acquisition Agreement, Hydrix agreed to issue to Jasper up to 15 million Shares (Consideration Shares) progressively in 4 tranches, subject to certain commercial milestones being satisfied by no later than 30 September 2021. <p>Prior Approvals to issue Consideration Shares</p> <p>In 2019, Hydrix obtained:</p> <ul style="list-style-type: none"> ▪ Shareholder approval at its 2019 annual general meeting (2019 AGM) under ASX Listing Rule 7.1 to be able to issue the Consideration Shares to Jasper, without using the Company's 15% Placement Capacity; and ▪ a waiver from the ASX on 13 November 2019 in respect of ASX Listing Rule 7.3.2 (ASX Waiver) to permit the Consideration Shares to be issued on dates later than 3 months after the 2019 AGM, <p>(Prior Approvals), collectively enabling Hydrix to issue the Consideration Shares to Jasper on dates later than 3 months after the 2019 AGM (but in any event, before 30 September 2021), without using the Company's 15% Placement Capacity.</p> <p>Variation to 2019 Acquisition Agreement</p> <p>As announced by Hydrix on 13 March 2020:</p> <ul style="list-style-type: none"> ▪ In March 2020, Hydrix completed the acquisition of the Distribution Rights from Jasper, by entering into a distribution agreement (Distribution Agreement) with the manufacturer of the Guardian System, Angel Medical Systems, Inc. (AngeMed). ▪ Concurrent with the execution of the Distribution Agreement, Jasper and Hydrix agreed to vary the structure of consideration payable by Hydrix under the 2019 Acquisition Agreement, and associated commercial milestones and timeframes. ▪ Under the varied terms of the 2019 Acquisition Agreement, the 15 million Consideration Shares will be issued to Jasper in the following tranches:

	<ul style="list-style-type: none"> ▪ Tranche 1A: 3 million Consideration Shares issued upon the Distribution Agreement being entered into (these Shares were issued on 13 March 2020, and are subject to voluntary escrow until 13 March 2022); ▪ Tranche 1B: 4.5 million Consideration Shares to be issued upon receipt of approvals from the U.S. Food and Drug Administration (FDA) for the next generation Guardian System with an upgraded battery (Tranche 1B Milestone); ▪ Tranche 2: 5 million Consideration Shares, to be issued upon: <ul style="list-style-type: none"> ○ receipt of all applicable regulatory approvals required for the distribution of the Guardian System in either Australia or Singapore; and ○ the completion of five commercial implantations of the Guardian System that receive reimbursement in either or both of those countries, <p>subject to those milestones being satisfied by 31 October 2021 (extendable to 31 March 2022).</p> ▪ Tranche 3: 2.5 million Consideration Shares, to be issued upon: <ul style="list-style-type: none"> ○ receipt of applicable regulatory approvals required for the distribution of the Guardian System in Japan, Australia, and at least one of Hong Kong, Malaysia, Indonesia or Thailand (to be agreed by the parties); and ○ the completion of one commercial implantation of the Guardian System that receives reimbursement in one of those jurisdictions (excluding any commercial implantation of the Guardian System in Australia in satisfaction of Tranche 2), <p>subject to those milestones being satisfied by 31 March 2022 (extendable to 30 September 2022).</p> ▪ Any Consideration Shares issued by Hydrix under Tranches 1B, 2 and 3 will be subject to voluntary escrow restrictions from their date of issue until 31 December 2022 (Escrow Restriction). <p>Reasons for Resolution 3</p> <p>As announced by Hydrix on 26 June 2021, the FDA has approved AngelMed’s next generation Guardian System with an upgraded battery. As such, the Tranche 1B Milestone has been satisfied, and Hydrix is required to issue 4.5 million Consideration Shares to Jasper.</p> <p>As a result of the variation to the 2019 Acquisition Agreement, the Company is no longer able to rely on the Prior Approvals to issue the Consideration Shares without using its 15% Placement Capacity (noting that the Prior Approvals have, in any event, expired on 31 September 2021).</p> <p>Hydrix is therefore seeking Shareholder approval under ASX Listing Rule 7.1, to issue the 4.5 million Consideration Shares (pursuant to Tranche 1B) to Jasper, without using the Company’s 15% Placement Capacity.</p>
<p>Specific information for Resolution 3</p>	<p>In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to shareholders:</p>

	Maximum no. of securities issued	4,500,000 Shares
	Date by which securities will be issued	The Company intends to issue the Shares as soon as practicable following the Meeting, and in any event within 3 months from the date of the Meeting.
	Issue price per security	The Shares will be issued for nil cash consideration, as they form part of the deferred consideration payable by Hydrix to Jasper for acquiring the Distribution Rights.
	Recipients of issue	Jasper Capital Ltd or its nominee(s).
	Purpose of the issue	The purpose of the issue is satisfy the Company's obligations under the 2019 Acquisition Agreement (as varied) to issue 4.5 million Consideration Shares to Jasper, following receipt of FDA approval of the next generation Guardian System with the upgraded battery.
	Use of funds raised	No funds will be raised from the issue of the Shares as they are being issued for nil cash consideration.
	Terms of securities	The Shares will, on issue, be fully paid, free from all encumbrances (save for the Escrow Restriction) and rank equally with the other fully paid Shares then on issue in the Company. The Company will apply to ASX for quotation of the Consideration Shares.
	Voting exclusion statement	A voting exclusion statement applies to this item of business, as set out in the Notice.
Board Recommendation	The Directors unanimously recommend that shareholders vote in favour of Resolution 3.	
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this resolution.	

Approval of 10% Placement Capacity

Resolution 4	Approval of 10% Placement Capacity
General	<p>Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue Equity Securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (10% Placement Capacity).</p> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Company, subject to the conditions set out below, to issue Equity Securities under the 10% Placement Capacity without using its 15% placement capacity under ASX Listing Rule 7.1.</p> <p>Resolution 4 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 ASX 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 ASX 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 ASX 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 ASX Listing Rule 7.2, other than exception 9, 16 or 17, ▪ plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where: <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, ▪ 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 ASX 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 ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.</p> <p>'Relevant period' means the 12 month period immediately preceding the date of the issue or agreement.</p>

<p>Conditions of issue under the 10% Placement Capacity</p>	<p>There are a number of conditions applicable to the issue of Equity Securities under ASX Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:</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 HYDO 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> <ul style="list-style-type: none"> i. the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or ii. if the Equity Securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.
<p>Period of validity of shareholder approval</p>	<p>In the event that the Company obtains shareholder approval of Resolution 4, 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 ASX Listing Rule 11.1.2, or the disposal of the Company's main undertaking under ASX Listing Rule 11.2.</p> <p>(Placement Period)</p>
<p><i>Information to be provided to shareholders under ASX Listing Rule 7.3A</i></p>	
<p>Minimum issue price</p>	<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> <ul style="list-style-type: none"> i. the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or ii. if the Equity Securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.
<p>Risk of dilution to shareholders</p>	<p>If Resolution 4 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.

The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:

- an issue price of \$0.14 per Share which was the closing price of the Company's Shares on the ASX on 8 October 2021; and
- the variable 'A' being calculated as the number of fully paid ordinary shares on issue as at the date of this Notice, being 164,167,299.

The table also shows:

- (a) two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under ASX Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and
- (b) two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.07	Issue price \$0.14	100% increase in issue price \$0.28
Current Variable 'A' 164,167,299 shares	10% voting dilution	16,416,730 shares	16,416,730 shares	16,416,730 shares
	Funds raised	\$1,149,171	\$2,298,342	\$4,596,684
50% increase in current Variable 'A' 246,250,949	10% voting dilution	24,625,095 shares	24,625,095 shares	24,625,095 shares
	Funds raised	\$1,723,757	\$3,447,513	\$6,895,027
100% increase in current Variable 'A' 328,334,598	10% voting dilution	32,833,460 shares	32,833,460 shares	32,833,460 shares
	Funds raised	\$2,298,342	\$4,596,684	\$9,193,369

The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of shares available under the 10% Placement Capacity;
- (b) no options to acquire shares on issue in the Company are exercised;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- (d) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting.
- (e) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with ASX Listing Rule 7.1A and not under the 15% placement capacity under ASX Listing Rule 7.1.

	<p>(f) the issue of Equity Securities under the 10% Placement Capacity consists only of shares.</p> <p>(g) the issue price is \$0.14, being the closing price of the Company's shares on the ASX on 8 October 2021.</p>
Period of validity	The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
Purpose for which the funds may be used	<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 ASX Listing Rule 7.1.A and for general working capital.</p> <p>The Company will comply with the disclosure obligations under ASX 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 funds; and 4. advice from the Company's corporate, financial, legal and broking advisers. <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>
Securities issued in previous 12 months	The Company has not issued or agreed to issue any securities under its 10% Placement Capacity in the 12 months preceding the date of the Meeting.
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.
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Approval for issue of Performance Rights to Gavin Coote under LTIP

Resolution 5	Approval for issue of Performance Rights to Gavin Coote under LTIP
Explanation	<p>The Company seeks shareholder approval under Resolution 5 for the issue of Performance Rights under the LTIP to Executive Chairman Gavin Coote.</p> <p>Mr Coote's remuneration package comprises a fixed annual remuneration, plus variable performance-based remuneration. The Board has discretion to determine the structure and quantum of Mr Coote's variable performance-based remuneration. In previous years, Mr Coote's variable performance-based remuneration has been in the form of an annual LTI (Performance Rights). No STIs have been paid to Mr Coote.</p> <p>During the financial year ended 30 June 2021, the Board (through the Nomination and Remuneration Committee) undertook a thorough review of Hydrix's executive remuneration framework, with the assistance of external remuneration consultants.</p> <p>As part of this remuneration review, the Board considered (amongst other things) structuring Mr Coote's annual variable performance-based remuneration as a combination of a cash STI award, and an equity based LTI award.</p> <p>Upon conclusion of the remuneration review, and having received and considered the recommendations of external remuneration consultants, the Board has determined to implement a 3-year incentive arrangement for Mr Coote, under which he will (subject to Shareholder approval of Resolution 5) receive a combined STI and LTI package in respect of the 3 year period between 1 July 2021 and 30 June 2024 (Performance Period), in the form of Performance Rights to the value of 75% of Mr Coote's aggregate fixed remuneration during the Performance Period (3 Year Incentive).</p> <p>Subject to Shareholder approval of Resolution 5, the 3 Year Incentive will be the only variable performance-based remuneration that Mr Coote will receive during the Performance Period, and he will not receive any other STI or LTI in respect of that period.</p> <p>The Board considers the 3 Year Incentive to be an appropriate model at this time, to recognise, reward and incentivise Mr Coote during Hydrix's current pivotal phase of growth. The vesting conditions attaching to the 3 Year Incentive Performance Rights, which include achievement of specified business objectives, and a sustained increase in the Company's share price over part or all of the Performance Period, are directly linked to the longer-term growth and performance of the Company.</p> <p>The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. The Company settled on a performance rights mechanism as it is consistent with past practice.</p> <p>If Resolution 5 is not passed, the 3 Year Incentive Performance Rights will not be issued, and the Board will have to consider alternative arrangements to appropriately remunerate and incentivise Mr Coote, including by increasing Mr Coote's cash remuneration and/or implementing a cash based STI scheme.</p>

<p>ASX Listing Rules</p>	<p>The Company is required by ASX Listing Rule 10.14 to obtain shareholder approval to grant securities, including Performance Rights, to Directors under the LTIP.</p> <p>In accordance with the ASX Listing Rules, Shareholders are being asked under Resolution 5 to approve the grant of the Performance Rights to Mr Coote under the LTIP, and to the extent those Performance Rights vest, the underlying Shares.</p> <p>Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. This means that, if Shareholder approval is obtained for Resolution 5, approval is not required for the purposes of ASX Listing Rule 7.1.</p>
<p>Approval not sought under Chapter 2E of the Corporations Act</p>	<p>For the purposes of Chapter 2E or the Corporations Act, Mr Coote is a related party of the Company, and the issue of Performance Rights to him constitutes the provision of a “financial benefit” by the Company.</p> <p>The giving of a financial benefit to a related party of a public company is prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with the approval of shareholders or where an exception applies. One exception to the general rule is where the benefit constitutes “reasonable remuneration” in respect of the duties and responsibilities of the related party in the management of the public company.</p> <p>The Directors consider that the granting of the Performance Rights to Mr Coote constitutes reasonable remuneration, given both the Company’s circumstances and the responsibilities involved in Mr Coote’s role within the organisation. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Directors do not consider the Company is required to seek shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give Mr Coote the financial benefit that is inherent in the issue of the Performance Rights.</p>
<p>Terms of Performance Rights</p>	<p>Number of Performance Rights</p> <p>Under the 3 Year Incentive, Mr Coote is entitled to receive Performance Rights to the value of 75% of his aggregate fixed remuneration during the Performance Period, based on a face value per Performance Right of \$0.15.</p> <p>Mr Coote is entitled to receive an annual fixed remuneration of \$350,000 during the Performance Period. Accordingly, his aggregate fixed remuneration during the Performance Period is \$1,050,000, and the value of his 3 Year Incentive is \$787,500.</p> <p>Based on a face value of \$0.15 per Performance Right, the number of Performance Rights which Mr Coote is entitled to receive under the 3 Year Incentive is 5,250,000.</p> <p>Performance Period</p> <p>The Performance Rights will vest to the extent that certain performance hurdles are met during the Performance Period.</p> <p>Vesting Conditions</p> <p>The vesting of Performance Rights will be subject to Mr Coote’s fulfilment of performance hurdles prescribed by the Board, which will be tested over the Performance Period (the Vesting Conditions).</p> <p>The Board will assess achievement of the performance hurdles on a continuing basis throughout the performance period. Each performance hurdle is separate, and a set number of Performance Rights attach to each hurdle.</p>

A summary of the performance hurdles, and the number of Performance Rights attaching to each one, is as follows:

Performance hurdle	No. of Performance Rights
Business objectives (total of 3,250,000 Performance Rights)	
Achieving prescribed regulatory approval and sales milestones in relation to the AngelMed Guardian Device	1,000,000
Executing strategic planning and growth initiatives	500,000
Meeting prescribed financial performance targets	500,000
Achieving prescribed growth targets for the Hydrix Ventures portfolio	500,000
Achieving a prescribed score on key performance metrics assessed in the Executive Chairman's annual performance appraisal. Metrics include governance, leadership, culture, OH&S, budgeting/planning, capital and risk management, regulatory compliance and customer satisfaction.	250,000 at each financial year end (FY22, FY23 and FY24)
Share price growth targets (total of 2,000,000 Performance Rights)	
Where, prior to 30 June 2023, the volume weighted average price (VWAP) of Hydrix Shares traded on the ASX during any period of 30 consecutive trading days (on which Hydrix Shares have actually traded) is or exceeds \$0.35.	500,000
Where, prior to 30 June 2024, the VWAP of Hydrix Shares traded on the ASX during any period of 30 consecutive trading days (on which Hydrix Shares have actually traded) is or exceeds \$0.50.	750,000
Where, prior to 30 June 2024, the VWAP of Hydrix Shares traded on the ASX during any period of 30 consecutive trading days (on which Hydrix Shares have actually traded) is or exceeds \$0.70.	750,000

Exercise of Performance Rights

Upon satisfaction of the relevant performance hurdles, Mr Coote will gain the right to receive one Share in the Company for each vested Performance Right.

Once the Board decides that a particular performance hurdle has been satisfied (this date being the **Vesting Date**), the relevant Performance Rights attaching to this hurdle will vest. Mr Coote will have 4 years from the Vesting Date to exercise the Performance Right, following which the Performance Right will expire.

	<p>Following the valid exercise of a vested Performance Right, the Company must procure the transfer of existing Shares or the issue of new Shares to Mr Coote.</p> <p>No cash consideration will be payable for the issue of the Performance Rights, or on the issue of the underlying Shares upon the vesting of the Performance Rights.</p> <p>Restrictions on disposal</p> <p>All Shares issued to Mr Coote upon vesting of Performance Rights will be subject to voluntary escrow for 12 months from the date of issue.</p>
<p>Other terms of Performance Rights issued under Resolution 5</p>	<p>Subject to the ASX Listing Rules, in circumstances of death or disability, any unvested Performance Rights will vest on a pro rata basis based on the proportion of the Performance Period which has elapsed as at the date of death or disability.</p> <p>In the event of a change of control in relation to the Company, and subject to the terms of the LTIP, unvested Performance Rights will vest on the date of the change of control.</p> <p>The Performance Rights issued will not be listed on ASX and will not be transferable, except as permitted under the LTIP.</p>
<p>Specific information required by ASX Listing Rule 10.15</p>	<p>For the purposes of the approvals sought under ASX Listing Rule 10.14 and in accordance with the requirements of ASX Listing Rule 10.15 and for all other purposes, the following information is provided to shareholders in respect of the proposed grant of Performance Rights to Mr Coote under Resolution 5.</p> <p>(a) Name of recipient:</p> <p>Mr Gavin Coote, who is a Director of the Company and therefore falls within ASX Listing Rule 10.14.1.</p> <p>(b) Number of securities to be issued:</p> <p>5,250,000 Performance Rights.</p> <p>(c) Details of Mr Coote’s current total remuneration package:</p> <p>Mr Coote’s total fixed remuneration for his executive services under his employment agreement is \$350,000 per annum (inclusive of superannuation).</p> <p>Mr Coote’s remuneration for his executive services is in addition to the fee of \$83,000 per annum (inclusive of superannuation) that Mr Coote is currently entitled to receive (and will continue to receive) for his roles and responsibilities as Chairman and Director of the Company.</p> <p>(d) The number of securities previously issued to Mr Coote under the LTIP and the average acquisition price:</p> <p>Mr Coote has received the following securities under the LTIP:</p> <ul style="list-style-type: none"> ▪ 1,000,000 Performance Rights in relation to FY18 and FY19, on 12 December 2017; ▪ 500,000 Performance Rights in relation to FY20, on 17 December 2019; and ▪ 500,000 Performance Rights in relation to FY21, on 17 December 2020.

	<p>All Performance Rights were issued to Mr Coote for nil cash consideration under the LTIP.</p> <p>(e) Terms of performance rights:</p> <p>As above.</p> <p>(f) Reason why Performance Rights have been selected for the issue:</p> <p>The Company has determined to utilise performance rights as a mechanism to provide long term incentives to key executives such as Mr Coote, on the basis that performance rights (as compared to other types of equity securities) motivate executives to take a long-term view of the Company's performance, and links reward to investors' experience.</p> <p>In addition, the Company considers that the performance period of three years is consistent with the Board's objectives of driving a sustainable business, growing shareholder value and retaining talented executives.</p> <p>(g) Value attributed to the Performance Rights:</p> <p>The face value attributed to each Performance Right is \$0.15, which is based on the current market price of Hydrix Shares.</p> <p>(h) Price:</p> <p>No consideration will be payable for the grant of the Performance Rights under the LTIP to Mr Coote, or for the issue of underlying Shares upon vesting of the Performance Rights.</p> <p>(i) No Loans:</p> <p>No loans are proposed to be provided in relation to the acquisition of the Performance Rights under Resolution 5.</p> <p>(j) Date of issue:</p> <p>Subject to shareholder approval, the Performance Rights will be issued to Mr Coote as soon as possible after the Meeting, or in any event within 12 months from the date of the Meeting.</p> <p>(k) Summary of the LTIP</p> <p>A summary of the material terms of the LTIP are set out in the Company's 2019 notice of annual general meeting, which was lodged with ASX on 15 November 2019.</p> <p>Details of any securities issued under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that their approval for the issue was obtained under ASX Listing Rule 10.14.</p> <p>Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved, and who were not named in the notice of meeting, will not participate until approval is obtained under that Listing Rule.</p>
Voting Exclusion	A voting exclusion statement applies to each of Resolution 5, as set out in the Notice.

Board Recommendation	Mr Coote declines to make a recommendation to shareholders in relation to Resolution 5 due to his interest in the outcome of the resolution. The other Directors, who do not have an interest in the outcome of this resolution, recommend that shareholders vote in favour of Resolution 5.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

Amendment of Company Constitution

Resolution 6	Amendment of Company Constitution
Explanation	<p>In accordance with section 136(2) of the Corporations Act, the Company may modify its constitution by a special resolution of its shareholders.</p> <p>The Company proposes to amend its constitution, as outlined below, to reflect recent developments in the law and general corporate and commercial practice.</p> <p>A copy of the proposed amended constitution will be sent to any shareholder on written request made to the Company Secretary via email (alyn.tai@hydrix.com).</p> <p>The resolution the subject of Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</p> <p>If shareholders vote in favour of this special resolution, the amended constitution will operate with effect from the conclusion of the Meeting.</p>
Background	<p>Prior to the COVID-19 pandemic, virtual shareholder meetings were not expressly permitted by the Corporations Act. However, as a response to the COVID-19 outbreak in 2020, the Australian Government introduced temporary relief for companies to enable the holding of virtual shareholder meetings. This relief expired on 21 March 2021.</p> <p>On 13 August 2021 the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth) was enacted, under which the relief relating to virtual shareholder meetings has been extended until 31 March 2022. The effect of this relief is that all companies are permitted to host shareholder meetings using virtual technology, regardless of whether it is permitted by their constitution, until 31 March 2022.</p> <p>In addition to the temporary legislation, the Government has also released exposure draft legislation which, if passed by parliament, will impose permanent reforms to the Corporations Act to allow virtual shareholder meetings (beyond 31 March 2022). However, importantly, these reforms will only permit virtual meetings if they are required or permitted by the company's constitution.</p> <p>In light of these proposed reforms, Hydrix seeks shareholder approval to amend its existing constitution so that the holding of virtual shareholder meetings is expressly permitted. This will afford the Company the flexibility to hold virtual meetings in the future (subject to the passing of the relevant legislation), should this be necessary or appropriate in the circumstances.</p> <p>Hydrix is committed to ensuring that shareholders are afforded the opportunity to attend and participate in meetings to the maximum extent possible, and does not view virtual meetings as a permanent replacement for physical "in-person" meetings. However, the Company considers that having the flexibility to hold virtual shareholder meetings is valuable, particularly in the context of the ongoing COVID-19 pandemic.</p>

Proposed amendments	<p>The proposed amendments to the Constitution will achieve two key objectives:</p> <ul style="list-style-type: none"> ▪ Virtual meetings: the Company will be permitted to hold general meetings “by means of such telephone, electronic or other communications facilities as approved by the Board”, so long as participants are able to communicate with each other simultaneously, and members are given a reasonable opportunity to participate in the meeting; and ▪ Direct voting: “direct voting” by shareholders (a vote delivered to the Company by post, fax or other electronic means) will be expressly permitted. This amendment is necessary to allow shareholders to validly vote at a virtual meeting, using the relevant online platform. <p>The proposed amendments to the Constitution are available for viewing on the Company’s website (https://www.hydrix.com/constitution-draft-2021).</p>
Board Recommendation	<p>The Board recommends that shareholders vote in favour of Resolution 6.</p>
Chairman’s available proxies	<p>The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.</p>

DEFINITIONS

10% Placement Capacity	Means the Company's capacity to issue shares under ASX Listing Rule 7.1A.
15% Placement Capacity	Means the Company's capacity to issue shares under ASX Listing Rule 7.1.
ASIC	Means the Australian Securities and Investments Commission.
ASX	Means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).
Board	Means the board of Directors of the Company.
Corporations Act	Means the <i>Corporations Act 2001</i> (Cth).
Company or Hydrix	Means Hydrix Limited ACN 060 369 048.
Constitution	Means the constitution of the Company.
Closely Related Party (of a member of KMP of an entity)	Has the definition given to it by section 9 of the Corporations Act, and means: <ul style="list-style-type: none"> a) a spouse or child of the member; or b) a child of the member's spouse; or c) a dependant of the member or of the member's spouse; or d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or e) a company the member controls; or f) a person prescribed by the regulations for the purposes of this definition.
Director	means a director of the Company.
Equity Security	Means: <ul style="list-style-type: none"> 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.
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.
LTIP	Means the Company's Long Term Incentive Plan.
Share	Means a fully paid ordinary share in the capital of the Company.



All Correspondence to:

-  **By Mail** Boardroom Pty Limited
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-  **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 11:30am (Melbourne time) on Monday 22 November 2021.**

TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/hydrixagm2021>
- 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 **11:30am (Melbourne time) on Monday, 22 November 2021.** 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/hydrixagm2021>

 **By Fax** + 61 2 9290 9655

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

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



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 as a **virtual meeting at <https://web.lumiagm.com/388267412> on Wednesday, 24 November 2021 at 11:30am (Melbourne time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 5 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1 and 5). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2A	Re-election of Mr Paul Wright as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2B	Re-election of Mr Paul Lewis as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for issue of Shares to Jasper Capital Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 (Special)	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for issue of Performance Rights to Gavin Coote under LTIP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 (Special)	Amendment of Company Constitution	<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 / / 2021