

6 October 2023

ASX Compliance Pty Ltd  
Attn: Ash Abdul Aziz  
Adviser, Listings Compliance  
525 Collins Street  
Rialto South Tower, Level 50  
Melbourne VIC 3000

By Email: [ListingsComplianceMelbourne@asx.com.au](mailto:ListingsComplianceMelbourne@asx.com.au)

Dear Ash,

### **The Hydration Pharmaceuticals Company Limited: Query**

We refer to your letter addressed to The Hydration Pharmaceuticals Company Limited (**HPC** or the **Company**) dated 4 October 2023 (**Your Letter**) and provide the following responses (using the corresponding numbering as set out in Your Letter):

#### **1. Please explain why the Appendix 3Y was lodged late.**

The Appendix 3Y was lodged late due to an isolated administrative oversight by the Company and its advisors. As noted in the Appendix 3Y, the issue of 1,972 shares to Mr Karafili (or his controlled entity) was required to rectify the miscalculation of entitlements of approximately 105 pre-IPO convertible note holders (of which Mr Karafili's controlled entity was one) on conversion of the pre-IPO convertible notes (as announced to ASX on 9 August 2023). The Company notes that the change in interests involved the issue of new shares by the Company as opposed to the trading of existing shares by Mr Karafili and all of the relevant shares are escrowed until 13 December 2023.

The Company was aware of the issue of the relevant shares at the time but an Appendix 3Y was not lodged in connection with the issue of the relevant shares due to a miscommunication between the Company and its advisors arising as a result of the unique circumstances in which the change in interests arose.

#### **2. What arrangements does HPC have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?**

In accordance with Listing Rule 3.19B, the Company has the following process in place to ensure it is able to meet its disclosure obligations:

- (a) each director is informed of ASX disclosure requirements upon their appointment;
- (b) the Company's Securities Trading Policy requires directors to seek clearance from the Chair prior to trading in the Company's securities and to advise the Company Secretary of any approved trades immediately;
- (c) each director confirms whether they have traded in any securities and whether there are any changes to their interest as a standing item addressed at the commencement of all Board meetings;
- (d) the Company has a Continuous Disclosure Policy to ensure that it complies with its continuous disclosure obligations under ASX Listing Rules and Corporations Act 2001.

#### **3. If the current arrangements are inadequate or not being enforced, what additional steps does HPC intend to take to ensure compliance with Listing Rule 3.19B?**

Given the administrative error arose as a result of the unique circumstances in which the change in interests arose, the Company is confident that the current arrangements are adequate and that the late lodgement was an isolated administrative oversight only. HPC has reviewed and confirmed its processes and will continue to monitor its internal processes to ensure its ongoing compliance with the ASX Listing Rules.

Yours faithfully

Victoria Nadalin  
Company Secretary  
The Hydration Pharmaceuticals Company Limited

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4 October 2023

Reference: 81439

Ms Victoria Nadalin  
Company Secretary  
C/- CDPlus Corporate Services Pty Ltd  
Rialto South Tower, Level 42, 525 Collins Street  
Melbourne, VIC 3000

By email:

Dear Ms Nadalin

**The Hydration Pharmaceuticals Company Limited ('HPC'): Appendix 3Y – Change of Director's Interest Notice Query**

ASX refers to the following:

- HPC's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 4 October 2023 for Mr Adem Karafili (the 'Notice');
- Listing Rule 3.19A which requires an entity to tell ASX the following:
  - 3.19A.1** *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.

*The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
  - 3.19A.2** *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
  - 3.19A.3** *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*
- Listing rule 3.19B which states that:

*'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'*

The Notice indicates that a change in Mr Karafili's notifiable interest occurred on 8 August 2023. It appears that the Notice should have been lodged with ASX by 15 August 2023. Consequently, HPC may have breached

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Listing Rules 3.19A and/or 3.19B. It also appears that Mr Karafili may have breached section 205G of the *Corporations Act 2001* (Cth).

### Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does HPC have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does HPC intend to take to ensure compliance with Listing Rule 3.19B?

### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEST Tuesday, 10 October 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HPC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require HPC to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsComplianceMelbourne@asx.com.au](mailto:ListingsComplianceMelbourne@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in HPC's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

### Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in HPC's securities under Listing Rule 17.3.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to HPC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that HPC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

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**Ash Abdul Aziz**  
Adviser, Listings Compliance

CC: The Hydration Pharmaceuticals Company Limited

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