

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Althea Group Holdings Limited

ABN/ARBN

78 626 966 943

Financial year ended:

30 June 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://altheagroupholdings.com/governance/>

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

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

Date: 31 August 2023

Name of authorised officer authorising lodgement:

Robert Meissner, Company Secretary

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 the evaluation process referred to in paragraph (a) in section 1.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ We have also disclosed a copy of our board charter at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed the evaluation process referred to in paragraph (a) in section 1.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ We have also disclosed a copy of our board charter at: https://altheagroupholdings.com/governance/	<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 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
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"/> and we have disclosed the evaluation process referred to in paragraph (a) in section 1.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ We have also disclosed a copy of our board charter at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed the evaluation process referred to in paragraph (a) in section 1.4 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ We have also disclosed a copy of our board charter at: https://altheagroupholdings.com/governance/	<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 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
<p>1.5 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>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) in section 1.5 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and we have disclosed a copy of our diversity policy at: https://altheagroupholdings.com/governance/</p> <p>and we have disclosed the information referred to in paragraph (c) in section 1.5 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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>

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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
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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in section 1.6 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in section 1.6 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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>
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"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in section 1.7 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in section 1.7 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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>

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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 the evaluation process referred to in paragraph (a) in section 2.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and the information referred to in paragraphs (4) and (5) in section 2.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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 section 2.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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>

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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
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in section 2.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ and, where applicable, the information referred to in paragraph (b) in section 2.4 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ and the length of service of each director in section 2.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> and we have disclosed this information in section 2.4 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 2.5 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 2.6 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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

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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 section 3.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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 in section 3.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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 in section 3.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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 3.4 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<input type="checkbox"/> set out in our Corporate Governance Statement

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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"/> and we have disclosed this information in section 4.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and we have disclosed a copy of the charter of the committee at: https://altheagroupholdings.com/governance/</p> <p>and the information referred to in paragraphs (4) and (5) at: https://altheagroupholdings.com/governance/</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"/> and we have disclosed this information in section 4.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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"/> and we have disclosed this information in section 4.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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 this information in section 5.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ and we have disclosed our continuous disclosure compliance policy at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 5.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 5.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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 this information in section 6.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ and we have disclosed information about us and our governance on our website at: https://altheagroupholdings.com/governance/	<input type="checkbox"/> set out in our Corporate Governance Statement

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6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> and we have disclosed this information in section 6.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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 this information in section 6.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 6.4 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<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"/> and we have disclosed this information in section 6.5 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/	<input type="checkbox"/> set out in our Corporate Governance Statement

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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"/> and we have disclosed a copy of the charter of the committee in section 7.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and the information referred to in paragraphs (4) and (5) in section 7.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in section 7.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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"/> and we have disclosed how our internal audit function is structured and what role it performs in section 7.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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 in section 7.4 of our Corporate Governance Statement available on our website at: https://altheagroup Holdings.com/governance/	<input type="checkbox"/> set out in our Corporate Governance Statement

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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 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 charter of the committee in section 8.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</p> <p>and the information referred to in paragraphs (4) and (5) in section 8.1 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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 section 8.2 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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 policy on this issue or a summary of it in section 8.3 of our Corporate Governance Statement available on our website at: https://altheagroupholdings.com/governance/</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 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
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"/>	<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"/>	<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"/>	<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
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: <i>[insert location]</i>	<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
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

ALTHEA GROUP HOLDINGS LIMITED

ABN 78 626 966 943

**CORPORATE
GOVERNANCE
STATEMENT**

2023

2023 Althea Group Holdings Corporate Governance Statement

Althea Group Holdings Limited ('Althea' or the 'Company') has adopted a program to review and improve its charters, policies and procedures periodically as required to ensure its corporate governance framework remains current and compliant with best corporate practice.

Althea's corporate governance practices are outlined in this Corporate Governance Statement which addresses the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' – 4th Edition released in 2019 (referred to as 'ASX Principles or Recommendations'). Althea has lodged with ASX the Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations) together with this Corporate Governance Statement and the Company's 2023 Annual Report.

The Althea Charters and Policies for the Board and its current Board sub-committees referred to in this Corporate Governance Statement are available in the Investor section of Althea's website at <https://www.altheagroupholdings.com>. A copy of the 2023 Annual Report is also available on the Althea website.

The 2023 Corporate Governance Statement is dated 31 August 2023 and covers the corporate governance practices and policies in place during the financial year ending 30 June 2023 and up to the date of this report. The 2023 Corporate Governance Statement was approved by the Board on 31 August 2023.

During the financial year ended 30 June 2023 and to the date of this report, the Board has undertaken a thorough review of its governance charters and policies to strengthen and enhance the company's governance platform. Althea has monitored and updated the Company's risk management framework, including a review and identification of requisite Board skills, to ensure that the Company is in a strong and sustainable financial and operating position to achieve its strategic goals.

The Board Charter, Audit, Risk and Compliance Management Committee Charter and Remuneration and Nomination Committee Charter were reviewed during financial year 2023 to improve Board and committee governance standards to achieve a higher standard of accountability, transparency and reporting in the company, and also to address the 4th edition ASX Corporate Governance Principles and Recommendations. The various Board sub-committees are governed by their respective Charters each of sets out the Committee's purpose, responsibilities, role, membership, meeting process, Board reporting obligations and assessment of performance.

The Board has taken a proactive approach to revising its governance policies and procedures to address the 4th edition ASX Corporate Governance Principles by initiating a review of its Code of Business Ethics, Risk Management Policy, Policy for Dealing in Shares, Shareholder Communication Policy, Continuous Disclosure Policy, Diversity Policy, and a company-wide review of internal policies and procedures. The Company's Whistleblower Policy addresses and complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019.

The Board sub-committees review matters designated within their respective Charters and make recommendations to the Board. The Board and sub-committee composition and attendance are set out in the Directors' Report within the 2023 Annual Report. The qualifications of Board and committee members and attendance at meetings is included in the Directors Report of the 2023 Annual Report.

Structure and Composition of the Board

The Althea Constitution provides that the number of directors must be not less than 3 nor more than 9.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Roles and Responsibilities

The Board's main responsibilities and reserved decision-making parameters are set out in the Board Charter. The roles and responsibilities of the Board are defined in the Board Charter, and the respective Board sub-committee Charters.

The Board agreed that no amendments were required to the Board Charter in the 2023 reporting period. The Board Charter is published in the Investor Centre section of the Company's website at <https://altheagroupholdings.com>. The document clearly outlines the various roles and responsibilities of the Board and management, including those items expressly reserved to the Board and those delegated to management.

Recommendation 1.2 – Director selection

The process of the appointment and removal of Directors is governed by the Althea Constitution.

The Board has a Remuneration and Nomination Committee which has the responsibility for recommending to the Board candidates to be considered or nominated to act as a Director for the Board. Any recommendations are provided to the Board.

If a new Director is appointed by the Board as a casual vacancy or as an addition to the existing Directors during the year, then such appointee is required to stand for election by shareholders at the next Annual General Meeting.

In considering candidates for the selection, election and appointment to the Board, the Remuneration and Nomination Committee and the Board assess a candidate's background, qualifications, industry experience and personal attributes. As part of this process and at regular intervals, the Board will conduct a skills assessment to ensure that Directors possess the appropriate skills, experience and attributes to govern the Company.

The Board undertakes appropriate checks before appointing a new Director including reference checks, criminal and bankruptcy checks and academic qualifications checks to ensure they meet the Director qualifications under the Althea Constitution.

Recommendation 1.3 – Terms of Appointment

New directors receive letters of appointment stating the effective commencement date of their directorships with Althea, together with their remuneration details.

Directors are also provided extensive induction material and the opportunity to consult with the Non-Executive Chairman and other directors to deepen their overall understanding of the Company and its operations. An induction kit in line with best practice procedures is provided to new directors joining the Board.

Employment contracts clearly state the terms and conditions of appointment and the expectations of the Company regarding performance and any performance-based incentives.

Recommendation 1.4 – Company Secretary

The Company Secretary has access to all Board members. The role of the Company Secretary is outlined in the Board Charter. The Company Secretary assists and advises the Board on governance and compliance matters.

The role of Company Secretary is undertaken by Mr Robert Meissner. Mr Meissner was appointed to the position in April 2019. The Company Secretary has a direct reporting relationship to the Chairman of the Board.

Recommendation 1.5 – Diversity Policy

Diversity within Althea is created by an inclusive working environment. Althea has published its Diversity Policy in the Investor Centre section of the Company's website at <https://altheagroupholdings.com>, which promotes diversity of religion, race, ethnicity, gender, disabilities, age, cultural background, socio-economic background, sexual orientation, perspective, experience and other areas of difference.

In respect of the diversity strategy the Board and Management:

- promote diversity in the Althea workplace.
- support equal opportunity in the recruitment, selection and promotion of employees from different backgrounds, knowledge, gender and experience. The Althea recruitment process is structured to provide equality in recruitment and unbiased selection and promotion decisions.

Directors have not adopted specific gender targets for the Board, senior executives or for employees generally. The Board, or an appropriate committee of the Board, will establish measurable objectives for achieving diversity in the Company, initially in the key areas of gender diversity in senior management and on the Board, and gender and ethnic diversity amongst employees.

The objectives set by the Board and the Company's achievement or progress toward achieving the objectives set by the Board are disclosed in the Directors Report forming part of the 2023 Annual Report.

As at the date of this Corporate Governance Statement, 44% of Althea's employees is made up of women employed across all sites and locations. Althea is committed to a diversity strategy aimed to promote the appointment of qualified, experienced and diverse Directors, Management and Employees to achieve Althea's objectives on diversity.

Recommendation 1.6 – Board and Committee Performance and Evaluation

Althea has an evaluation process for the Board, committees and directors which is stated in the Board Charter available on the Company's website. An evaluation of the Board, the Remuneration and Nomination and Audit, Risk and Compliance Management Committees was not undertaken in the 2023 reporting period and the Board agreed that formal evaluations would be conducted during the next reporting period.

The Board conducts periodic evaluations of its performance and the performance of its Board sub-committees. The process of performance review enables the Board to identify areas for improvement. The Board performance evaluation, amongst other things, is based on Althea's performance against long term objectives, the business plan and budgeted performance.

An external performance and evaluation of the Board and its Board sub-committees was not undertaken in the reporting period due to the size of the Company.

Recommendation 1.7 – Senior Management Performance and Evaluation

Senior Management are evaluated against individual performance and business measures on an ongoing basis. Althea sets key performance indicators for its senior executives and performance is

evaluated against these targets annually.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – Nomination Committee

Althea has established a Remuneration and Nomination Committee to assist the Board in reviewing succession planning, remuneration policies and practices. The Remuneration and Nomination Committee Charter sets out the Committee’s responsibilities, structure, access to resources and information, meeting processes and performance evaluation.

The primary function of the Remuneration and Nomination Committee is to assist the Board in fulfilling its corporate governance responsibilities that:

- ensure the Company has the appropriate ethical standards and corporate governance policies and practices in place in order to protect and enhance shareholder returns.
- ensure, so far as possible, that policies are properly embedded within the Company’s operations and that all who work for and with the Company embrace these policies and standards as a normal and necessary element of managing the Company to maximise value for shareholders.
- establish appropriate remuneration levels and policies including incentive policies for senior executives; and
- identify and select appropriate individuals for nomination as members of the Board.

The Committee’s Charter provides that the Committee meets at least twice per annum and its members comprise of at least three (3) members, a majority of whom are independent directors.

Recommendation 2.2 – Skills of Directors

The Board composition requirements under the Althea Constitution aims to achieve a mix of skills and experience in the pharmaceutical and medicinal cannabis industry (representing its main undertaking), law, accounting and marketing, yet also have specific skills and experience pertaining to other key aspects of Althea’ business including business strategy, corporate finance, fund raising, investor relations and the commercialisation of intellectual property. Directors have access to executive staff and external experts to provide specialised information as required.

The composition is reviewed annually by the Board with the qualifications and experience of each Director set out in the Directors Report of the 2023 Annual Report.

A Board Skills Analysis was undertaken during the 2023 reporting period and the following table sets out the mix of skills the Board currently has while providing guidance for expanding the skills base of Directors for the future needs of the Company.

Director background & experience	Director’s Name
Industry	Penelope Dobson, Joshua Fegan
Accounting & Corporate Finance	Alan Boyd
Capital Markets and trading	Alan Boyd, Andrew Newbold
Management & Leadership	Penelope Dobson, Alan Boyd, Andrew Newbold and Joshua Fegan

Risk Management	Alan Boyd, Andrew Newbold and Penelope Dobson
Governance and compliance	Alan Boyd and Andrew Newbold
Strategy	Penelope Dobson, Alan Boyd, Andrew Newbold and Joshua Fegan

Board composition and length of service

The Board Charter does not set a maximum term of continuous service for each Director however re-election must occur every 3 years for each Non-Executive Director, in addition to the retirement provisions contained in the Althea Constitution and the ASX Listing Rules.

The Board composition, experience and skills is reviewed annually and as at the date of this Corporate Governance Statement, comprises 3 Non-Executive Directors.

Name	Position	Appointment Date	Last Re-Election
Andrew Newbold	Chairman & Non-Executive Director	21 June 2018	2021 AGM
Alan Boyd	Non-Executive Director	21 June 2018	2022 AGM
Penelope Dobson	Non-Executive Director	30 November 2018	2020 AGM
Joshua Fegan	Executive Director	21 June 2018	N/A

Details of each Director including skills, experience and expertise are included in the 2023 Annual Report which is available on the Althea website at <https://altheagroupholdings.com>.

Recommendation 2.4 - Majority should be Independent Directors

The Board supports the principle that a majority of the Board should be independent. When determining the independent status of a Director, the Board considers whether the Director:

- is a substantial shareholder of Althea or an officer of, or otherwise associated directly with, a substantial shareholder of Althea,
- is employed, or has previously been employed, in an executive capacity by Althea or another member of the Althea Group, and there has not been a period of at least three years between ceasing such employment and serving on the Board,
- has within the last three years been a principal of a material professional adviser or a material consultant to Althea or another member of the Althea Group, or an employee materially associated with the service provided,
- is a material supplier or customer of Althea or another member of the Althea group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with Althea or another member of the Althea Group other than as a director.

The Board, when assessing materiality, considers a qualitative approach rather than setting quantitative thresholds. In accordance with the Althea governance policies, a relationship will be assessed as “material” in context of the nature, circumstance and activities of Althea and the

Director's activities or its affiliates' activities.

The Board recognises the need to have a majority of independent Directors but additionally that Board members must add value to the Company. The Board further recognises the need for the Board to comprise Directors who have a strong understanding of the Althea business and the pharmaceutical industry, however with the ability to bring independent views and judgement to Board decision making and deliberations.

Conflicts of Interest

Importantly, the Board has in place a process to ensure that conflicts of interest are managed.

The Code of Conduct provides that Directors must act in the best interests of the Company and must avoid participating in decisions and activities which may conflict, or be perceived to conflict, with their duties and responsibilities to Althea.

The Directors must not enter into any arrangement or participate in any activity that would conflict with Althea's best interests or would be likely to negatively affect Althea's reputation.

If a potential conflict arises, the Director must immediately advise the Board of the conflict of interest. If a potential conflict arises or is notified by the Director to the Board then the relevant Director with the conflict-of-interest issue must not participate in the discussion of the matter, receive Board papers on the matter and must leave the Board meeting whilst the matter is being considered. A review of Directors interests is made at every Board and sub-committee Meeting.

Recommendation 2.5 - Chairperson should be Independent and not CEO

The Board Charter provides that the Chairperson is an independent director and not the CEO. Mr Andrew Newbold is the Chairman and a Non-Executive Director.

Althea acknowledges that a separation of roles between the chairperson and CEO is best practice corporate governance to minimise the possibility of a lack of transparency and promote constructive debate at Board level.

Recommendation 2.6 - Induction program for New Directors

Althea has a program and induction process for new Directors. New and existing Directors are offered professional development opportunities and training internally and externally. Each Director may take independent legal advice at the expense of Althea.

PRINCIPLE 3: INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1 – Company Values

The Company's core values and commitments are:

- (a) Act with **Integrity** – We are committed to act with fairness, honesty and integrity in all our activities, both internally and externally. We work with business partners and suppliers who demonstrate comparable ethical and responsible business practices.
- (b) Always act with **Respect** – We treat people equally by listening and respecting their ideas and cultures, and treating everyone equally. Together we create an equal workplace and world.
- (c) Focused on **Safety** – We are committed to providing a safe working environment for all of our employees, contractors, partners, suppliers, and any persons who visits our workplace or with whom we work with, as required by law.

- (d) Upholding the highest **Community Standards** – We act in a manner that holds us in high regards and consistently meets the expectations of our investors and the broader communities we operate in. We act ethically and responsibly to ensure we protect the reputation of our Company.

Recommendation 3.2 – Code of Business Ethics

The Code of Business Ethics guides and applies to the Directors, the CEO, management, employees and third parties dealing with Althea. The purpose of the Code of Business Ethics is to provide a framework for decisions and actions in relation to ethical and responsible conduct in employment. It underpins the Company's commitment to integrity and fair dealing, to act ethically and responsibly in its business affairs, and to display and exercise a duty of care to all employees, clients and stakeholders. The Board has adopted the Code of Business Ethics and is committed to upholding the Company's core values and ensuring that all business affairs of Althea must be conducted legally, ethically, honestly and with integrity, and which also sets out the conduct and behaviour expected for employees, consultants, contractors and business partners of Althea. The Code of Business Ethics addresses Althea's position on personal and professional behaviour, ethical standards and policies, conflicts of interest, anti-bribery and corruption, dealings with external parties, confidentiality, privacy, fair dealing, discrimination/bullying/harassment/vilification, health and safety, compliance with laws and regulations, responsibility to shareholders and the financial community. A copy of the Althea Code of Business Ethics is available on the Althea website at <https://altheagroup Holdings.com>.

Recommendation 3.3 - Whistleblower Policy

Althea has adopted a Whistleblower Protection Policy that complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019.

The Policy is underpinned by a strong commitment to building a culture in Althea that reflects sound governance and promotes ethical behaviour in the detection and management of fraudulent, corrupt or improper conduct. The Whistleblower Protection Policy provides protection to whistleblowers by establishing a mechanism for concerns to be raised on a confidential basis without fear of intimidation or reprisal.

The Whistleblower Protection Policy applies to any individual who is either a current or former officer and director, employee, contractor, supplier, unpaid worker, or relative, dependent or spouse of any officer, employee, contractor and supplier, collectively, Employees and Stakeholders.

Whistleblowers perform a vital role in the community in exposing fraud, corruption and other misconduct, and whistleblowing ensures that corporate entities and organisations are held to account and operate within the confines of the law.

Employees and Stakeholders can raise any misconduct and unethical behaviour in relation to Althea to the Chair of the Audit, Risk and Compliance Management Committee, or a person authorised by Althea to receive disclosures that may qualify for protection (Whistleblower Protection Officer).

Employees and Stakeholders can also raise misconduct and unethical behaviour in relation to Althea via a dedicated phone number and email address available to Employees and Stakeholders, and can choose to remain anonymous to allay fear of retribution. A whistleblower cannot be subject to any civil, criminal or administrative liability (including disciplinary action) for making a protected disclosure. A whistleblower cannot be subjected to any detriment or a threat of detriment because they made, or are believed to have made, a protected disclosure.

A copy of the Whistleblower Protection Policy is available on the Althea website at

<https://altheagroup Holdings.com>.

Recommendation 3.4 - Anti-bribery and Corruption Policy

Australia has strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to actions carried out in other countries (i.e. wide-reaching extra-territorial effect). You must comply with and uphold all laws against bribery, corruption and related conduct applying to the Company in all the jurisdictions where the Company operates.

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Accordingly, Althea has a strict policy not to offer or receive secret commissions or bribes to further its business interests.

Althea is committed to adopting effective systems to counter bribery and related improper conduct and to monitor and enforce these systems.

Policy for Dealing in Shares

The Board has adopted a Policy for Dealing in Shares which regulates dealing in Althea securities by Designated Persons including Directors, Key Management Personnel, employees, contractors and consultants of Althea and their related parties. Designated Persons must not (i) deal in Althea securities if they are in possession of price sensitive information which would, if the information were publicly known, be likely to have a material effect on the price or value of Althea Securities; or (ii) influence persons who commonly invest in Securities in deciding whether or not to deal in Althea Securities. Under the Policy for Dealing in Shares, Designated Persons must not buy, sell or subscribe for Althea securities except during permitted periods.

The Policy for Dealing in Shares provides that Designated Persons may not deal in Althea securities during the following periods:

- a) the period from the end of the Company's financial year (30 June) until close of normal trading on the first trading day after the announcement of the full year financial results for Althea are received and announced to the general market by the ASX;
- b) the period from the end of the Company's half year (31 December) until close of normal trading on the first trading day after the announcement of the half year financial results for Althea are received and announced to the general market by the ASX;
- c) the period of two (2) trading days after the issue of any release to the ASX marked as price sensitive;
- d) the period of two (2) weeks prior to the Company's Annual General Meeting, and any other meeting of the Company's shareholders, until close of normal trading on the first trading day after the relevant meeting; and
- e) at any other time for a specified period as determined by the Board of Althea.

A breach of the Policy for Dealing in Shares will be regarded by Althea as serious misconduct which may lead to disciplinary action and/or dismissal.

A copy of the Policy for Dealing in Shares is available on the Althea website at <https://altheagroupholdings.com>.

PRINCIPLE 4: SAFEGUARD INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 – Audit, Risk and Compliance Management Committee

The Board has established an Audit, Risk and Compliance Management Committee which is governed by the Audit, Risk and Compliance Management Committee Charter and whose primary responsibility is to oversee the audit functions of the Company and ensures that risks are identified and managed.

The Committee's Charter sets out its authority, objectives, structure, responsibilities, membership, meeting protocols, access to Company personnel and information, reporting requirements and performance evaluation.

The Committee's Charter provides that the Committee will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet once in each financial quarter. Additionally, the Committee's Charter requires its members to comprise of at least three (3) non-executive directors, including an independent chairperson. The qualifications of members of the Committee and attendance at meetings is included in the Directors Report of the 2023 Annual Report. All Committee members must be financially literate and at least one member of the Committee should have accounting or related financial management expertise and at least one member should have a detailed understanding of the industry in which Althea operates.

During the 2023 financial year, the CEO and CFO also attended Committee meetings.

The Committee's primary functions are to:

- Review the integrity of Althea's financial information and systems, internal and external reporting.
- Review the internal controls, policies and procedures that Althea uses to identify and manage business risks.
- Review the external Auditor's annual audit of the financial statements.
- Review and assess the external Auditor's activities, scope and independence.
- Review and assess the internal auditor's activities, scope and independence.
- Review the management process for the identification of significant business risks and exposures (including fraud), and review and assess the adequacy of management information and internal control structures.
- Obtain regular updates from management on matters that may have a material impact on the Company's activities.
- Communicate with specified external stakeholders with respect to its role. External stakeholders are current and potential external auditors and internal auditors as well as parties nominated by the Board.

- Review any reports of misconduct made in accordance with the Company's Whistleblower Protection Policy.

The Audit, Risk and Compliance Management Committee receives updates from the CEO, CFO and the external Auditor.

Recommendation 4.2 - Financial Statement Confirmation

Prior to approving Althea's 2023 Financial Statements (30 June 2023), the Board received from the CEO and the CFO a declaration that in their opinion the financial records of the consolidated entity had been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Althea, and that the opinion had been formed on the basis of a sound system of risk management and control which is operating effectively.

Recommendation 4.3 - Integrity of Corporate Reports

Althea's Auditor reviews the Company's Half Year Report and Annual Report prior to publication. Apart from these documents, there are no other periodic Company reports. The Auditor's independence declaration forms part of the Directors' Report.

The external Auditor is invited to the Althea Annual General Meeting to be available to answer questions from Shareholders on matters pertaining to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Continuous Disclosure

The Board is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001.

Althea's Continuous Disclosure Policy has been adopted to ensure:

- the promotion of investor confidence by ensuring that all investors have equal and timely access to material information concerning the Company, including material information about its financial position, performance, ownership and governance; and
- that announcements are accurate, balanced and expressed in a clear and objective manner.

Althea's website contains copies of ASX releases covering such publications as market updates, annual and half yearly financial statements and material business updates. ASX announcements that are considered material and price sensitive are approved by the Board.

The Althea Continuous Disclosure Policy establishes guidelines to facilitate compliance with the ASX Listing Rules by:

- identifying the requirements and types of information subject to disclosure under the ASX Listing Rules;
- providing quantitative and qualitative materiality guidance on whether information should be considered material;
- giving guidance on whether information is subject to the ASX Listing Rules Confidentiality Exception; and
- establishing procedures and processes for evaluating whether information is market sensitive and which may require disclosure.

The Continuous Disclosure Policy is available on the Althea website at <https://altheagroupholdings.com>.

Recommendation 5.2 - Market Announcements

The Board automatically receives a copy of market announcements immediately after release to ASX.

Recommendation 5.3 - Investor Presentations

Althea releases a copy of any substantive investor presentation on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Information to Investors via Website

The Board and management are committed to Shareholders being informed and kept up to date with Althea's activities. Althea has established a Continuous Disclosure Policy which is available on the Althea website. The Continuous Disclosure Policy requires communication with Shareholders in an open, balanced and timely manner in order for market participants to make informed decisions on Althea. The Board is committed to improving Shareholder communication practices by adopting technological developments and regulatory changes.

Information on Althea, as well as its governance policies and procedures, is available to investors on the Company's website at <https://altheagroupholdings.com>.

Recommendation 6.2 - Investor Relations

All information released to the ASX is posted to the Althea website at <https://altheagroupholdings.com>. Althea's Annual Report is issued to Shareholders who have requested one.

Recommendation 6.3 - Participation at Meetings

Shareholders are encouraged to participate in meetings via announcements issued to the ASX, information on the Company's website and by mailouts to all Shareholders prior to meeting of shareholders.

Notices of General Meetings are provided to Shareholders and posted on the Althea website and Shareholders are encouraged to attend the Annual General Meeting. The Board is committed to enabling Shareholders to effectively participate in General Meetings by adopting ASX Corporate Governance Principles and Guidelines for improving Shareholder communication and participation.

Recommendation 6.4 - Substantive resolutions by Poll, not show of hands

Althea Shareholders are given the opportunity to vote on all substantive resolutions at the Company's AGM or at a General Meeting by way of Poll. Notices of meetings are sent out in advance of the meeting with proxy voting forms attached.

Recommendation 6.5 - Communicating Electronically

The Company's website provides contact details for Shareholders to communicate with either the Company's Share Registry or Althea directly at <https://altheagroupholdings.com>. Shareholders are offered the option of receiving information from Althea electronically via the Share Registry.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Risk Management

The Board recognises that risk management is a continuous and ongoing process. The CEO and CFO provided a written statement on the financial accounts to the Board that:

- Althea’s financial statements are prepared on the basis that there are appropriate internal controls and that there is sufficient compliance with their control to ensure no material misstatement of Althea’s affairs and financial position; and
- Althea’s risk management and control systems are operating effectively in all material aspects.

The CEO and CFO has each given the Board their declaration in accordance with section 295A of the Corporations Act 2001. The CEO and CFO confirmed that the declarations are founded on a sound system of risk management and internal control and also that the system is operating effectively in all material respects in relation to financial risks.

The Board has established the following sub-committees to review the integrity of Althea’s risk management systems:

- The Audit, Risk and Compliance Management Committee oversees the audit function as well as compliance with financial and risk management policies of the Company.

Recommendation 7.2 - Risk Management Framework

Althea is committed to identifying and managing economic, environment, and social sustainability risks which may create material exposure for Althea in the short, medium and long term.

Althea has established policies for the management and governance of material business risks for Althea. The risk management framework for Althea covers:

- financial risk – risks associated with financial outcomes. These risks include market risk, credit risk, liquidity risk;
- operational risk – risks associated with normal operations. These risks include project management, systems, fraud and day to day operating risks; and
- regulatory and compliance risk – failure to comply with legislative requirements both corporate and operational.

Althea’s Board sub-committees are responsible for the following risk areas:

The Audit, Risk and Compliance Management Committee oversees the audit function as well as compliance with financial and risk management policies of the Company and is responsible for review and oversight of risk management policies and the framework for Althea and to make recommendations to the Board.

Recommendation 7.3 - Internal Audit

Althea does not currently have an internal audit function. The Board considers that due to the size of Althea, such function would not be cost effective. The Audit, Risk and Compliance Management Committee ensures that internal policies and controls are in place and are being adhered to. The Board may engage an independent third party to undertake an internal audit if necessary, at any time.

Althea management has implemented risk and internal control systems for assessing, monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The systems are based upon policies, guidelines, delegations and reporting as well as the selection and training of qualified personnel. The internal processes are reviewed by the Company’s external auditors during

their regular audits.

The Board believes the control framework of formal audits and Company policies and procedures is well suited to the current size, operations and stage of development of the business.

Recommendation 7.4 - Risk Exposure

During the 2023 reporting period, the main exposure to economic risk for Althea was the risk of interruption to product supply. The CEO, CFO and Board continually monitor the Company's cash flow position and adopt an appropriate strategy to maintain solvency in the face of any economic risk.

Althea manages risk through its Audit, Risk and Compliance Management Committee and the Althea Board. The Company maintains a Risk Register which is discussed and monitored in management team meetings where mitigation strategies are devised as appropriate.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - Remuneration Committee

Althea has established a Remuneration and Nomination Committee to assist the Board in reviewing Althea's remuneration policies and practices. In addition, the Board has adopted an Executive Remuneration Policy which is included in the Remuneration and Nomination Committee Charter.

The Remuneration and Nomination Committee conducts an annual assessment of the performance of the Board, Committees, the Directors, the CEO and Executive General Managers.

It is the Board's responsibility to ensure that Althea has the appropriate remuneration policies in place, which are designed to meet the needs of Althea and enhance corporate and individual performance.

Recommendation 8.2 - Remuneration Policy

Althea is committed to ensuring that remuneration packages for Directors and management are fair and reasonable.

Details of Althea's Executive Remuneration Policy are included in the Remuneration and Nomination Committee Charter and also set out in the Remuneration Report of the 2023 Annual Report, which is available on the Althea website.

Althea may pay retirement benefits to Directors in accordance with the ASX Listing Rules and Corporations Act 2001.

Senior Executive remuneration is reviewed on an annual basis. The Remuneration and Nomination Committee may seek benchmarking from external advisers to assist in Director or Senior Executive remuneration reviews.

Recommendation 8.3 - Equity Based Remuneration Scheme

Althea has an Equity Based Remuneration Scheme in the form of a Performance Rights Plan which was approved by shareholders at the 2019 Annual General Meeting. A copy of the Performance Rights Plan is available upon request. Rights will be issued to the CEO, CFO and senior executives in September 2023. Specific share price hurdles will be put in place for recipients to be eligible for rights when they vest.