

2025 Corporate Governance Statement

Althea Group Holdings Limited (ASX:AGH) ('AGH', or 'the Company') attaches its Corporate Governance Statement for the 2025 financial year.

The Board of Althea Group Holdings Ltd authorised this announcement to be lodged with the ASX.

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About Althea Group Holdings

Althea Group Holdings Ltd (ASX:AGH) is a leading FMCG organisation specialising in the manufacturing, sales, and distribution of THC beverages. Through its innovative business unit, Peak Processing Solutions, AGH develops premium, compliant products that resonate with adult consumers in regulated global markets, including USA and Canada.

Learn more about Althea Group Holdings at www.altheagroupholdings.com

Visit www.peakprocessing.com to explore Peak Processing Solutions

Althea Group Holdings Limited
Corporate Governance Statement FY2025

The Board of Directors is responsible for the corporate governance of the Althea Group Holdings Limited (“the **Company**”) and its subsidiaries. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. Commensurate with the letter and spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition) (**Principles or Recommendations**), the Company has followed each recommendation where the Board has considered it to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available, and activities of the Company. Where the Company’s corporate governance practices depart from the recommendations, the Board has disclosed the nature and reason for the departure. The Board will periodically review and develop its governance policies and practices as the Company grows in size and complexity.

The Company’s Charters and Policies for the Board and committees referred to in this Corporate Governance Statement are available in the Investor section of the Company’s website at:

<https://peakprocessing.com/investor-centre/>

A copy of the 2025 Annual Report is also available on the Company’s website.

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 holds overarching responsibility and authority for the strategic direction, governance, and operations of the Company. Its key roles include setting strategic objectives, overseeing financial and operational performance, approving major investments and capital initiatives, and ensuring effective risk management and compliance frameworks are in place. The Board also plays a central role in appointing and monitoring senior executives, determining dividend policy, and ensuring that appropriate governance structures, such as internal controls, audit processes, and codes of conduct, are maintained and functioning effectively.

Additionally, the Board is committed to ensuring that decisions are made with due care, diligence, and ethical consideration, taking into account legal compliance, stakeholder interests, and the social, environmental, and workplace health and safety impacts of the Company’s activities. Directors must be provided with timely, high-quality information to fulfil their duties and are entitled to seek additional details where necessary to make well-informed decisions. This enables the Board to provide strong oversight,

promote accountability, and support the Company's sustainable success.

Recommendation 1.2 – Appointment of Directors

The appointment and removal of Directors are conducted in accordance with the Company's Constitution. The Board is supported in this process by the Remuneration and Nomination Committee Charter, which sets out the process for identifying and recommending suitable candidates for directorship to the Board. Any such recommendations are reviewed and decided upon by the full Board.

When a Director is appointed to fill a casual vacancy or added to the Board during the year, they must stand for election by shareholders at the next Annual General Meeting.

In evaluating candidates for appointment, the Board considers the following factors and communicate this information to shareholders to enable them to make an informed decision as to whether to elect or re-elect a Director:

- (a) biographical details of the candidate, including competencies, qualifications, experience and the skills they bring to the Board;
- (b) in the case of a candidate standing for election for the first time, information sufficient to enable an assessment of the independence of the candidate, including details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its security holders;
- (c) in the case of a candidate standing for re-election as a director, the term of office currently served by the Director;
- (d) if the Board considers that:
 - i. the candidate will, if elected, qualify as an independent director; or
 - ii. the director subject to re-election is an independent director,
- (e) in the case of a candidate standing for election for the first time, any material information revealed by the due diligence checks, including reference, criminal, bankruptcy, and academic qualification verifications, to confirm the candidate meets the requirements set out in the Company's Constitution.
- (f) a statement by the board as to whether it supports the nomination or re-election of the proposed candidate;
- (g) details of the relationship between the candidate and the:
 - i. Company; and
 - ii. directors of the Company;
- (h) material directorships currently held;

- (i) particulars of other positions which involve significant time commitments;
- (j) the term of office served by any directors subject to re-election; and
- (k) any other material information in the Board's possession and particulars required by law.

Recommendation 1.3 – Written Agreements

New Directors are issued formal letters of appointment outlining the commencement date of their directorship with the Company, along with details of their remuneration. As part of their onboarding, Directors receive an induction that includes engaging with the executive team to enhance their understanding of the Company and its operations.

Additionally, formal agreements clearly set out the terms and conditions of appointment, including the Company's expectations regarding performance and any applicable performance-based incentives.

Recommendation 1.4 – Company Secretary

Adam Gallagher was appointed as Company Secretary on 12 December 2024.

The Company Secretary reports directly to the Board, providing advice on governance and other relevant matters, ensuring compliance with policies and procedures, managing the timely dispatch of board papers, accurately recording meeting minutes, and assisting in Director induction and development. The Board is responsible for appointing and removing the Company Secretary. Mr. Gallagher's relevant skills, qualifications and experience are set out in the 2025 Annual Report.

Recommendation 1.5 – Diversity Policy

The Company has published its Diversity Policy in the Corporate Governance section of the Company's website at <https://peakprocessing.com/corporate-governance/>. The policy 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 Company's workplace.
- support equal opportunity in the recruitment, selection and promotion of employees from different backgrounds, knowledge, gender and experience. The Company's recruitment process is structured to provide equality in recruitment and unbiased selection and promotion decisions.

With respect to gender diversity, the Board has chosen not to set measurable objectives and targets due to the small size and scale of its operations. The Board will review this position in future reporting periods.

As at the date of this Corporate Governance Statement, as at the date of this Corporate Governance

Statement the Board of the Company has three Directors, all of whom are male. In the senior executive, the Company has 1 female employee and 2 male employees. A 'senior executive' is defined as the C-suite level, including the Chief Executive Officer, and Chief Financial Officer. The total number of female employees in the Company is 4, which accounts for 25% of all employees.

Overall, 33% of management, including the C-suite are female.

The Company is not considered a 'relevant employer' as defined under the Workplace Gender Equality Act. The Company was not included in the S&P/ASX 300 Index at the commencement of the reporting period.

Recommendation 1.6 – Board and Committee Performance and Evaluation

The Board conducts evaluations of its overall performance and the contribution of individual Directors (including Executive Directors). The Chair informally engages with each Director to review their individual performance, while the Board collectively assesses the Chair's effectiveness. This assessment process was completed during the 2025 financial year.

Recommendation 1.7 – Senior Management Performance and Evaluation

Senior Management is continuously assessed based on individual performance and business outcomes. The Company establishes key performance indicators (KPIs) for its senior executives, with evaluations conducted annually against these targets. These assessments were completed during the 2025 financial year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – Nomination Committee

Due to its small size, the Board does not have any formal committees. The Board directly discharges the obligations and responsibilities set out in the respective committee charters and meets as required in those capacities. The Board believes it is important to disclose the meetings it holds, in accordance with the respective committee charters, and the meeting attendance table included in the Annual Report is completed accordingly.

Recommendation 2.2 – Skills of Directors

The Board composition requirements under the Company's 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 The Company's 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 2025 Annual Report.

Due to the turnover of Directors and executives in the 2024 financial year, the periodical Board Skills Analysis review was deferred until the 2026 financial year, while the individual candidate assessments and recruitment processes were undertaken.

Recommendation 2.3 – Board independence and length of service

The Board Charter does not set a maximum term of continuous service for each Director; however, every 3 years, each Director, aside from the Managing Director, must stand for re-election in addition to the retirement provisions contained in the Company's Constitution and the ASX Listing Rules.

The table below sets out the details of the Directors who served on the Board during FY25, their length of service and their status of Independence.

Name	Position	Appointment Date (- Resignation Date)	Independent
Andrew Newbold	Chairman and Non-Executive Director	21 June 2018 – 29 August 2024	Yes
Alan Boyd	Non-Executive Director	21 June 2018	Yes
Penelope Dobson	Non-Executive Director	30 November 2018 – 31 January 2025	Yes
Joshua Fegan	Executive Director	21 June 2018 – 24 July 2025	No
Vaughan Webber	Chairman and Non-Executive Director	29 August 2024	Yes
Matt Adams	Non-Executive Director	17 February 2025	Yes

Details of each Director, including skills, experience, tenure and expertise, are included in the 2025 Annual Report, which is available on the Company's website at <https://peakprocessing.com/board-management/>.

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 the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company,
- is employed, or has previously been employed, in an executive capacity by the Company or another member of the Company's 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 the Company or another member of the Company's Group, or an employee materially associated with the service provided,
- is a material supplier or customer of the Company or another member of the Company's group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- has a material contractual relationship with the Company or another member of the Company's Group other than as a director.

All directors as at the date of the Annual Report are independent.

Recommendation 2.5 - Chairperson should be Independent and not CEO

Mr Vaughan Webber is the Chairman and is an Independent Director. He is not the CEO.

The Company acknowledges that a separation of roles between the Chair 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

The Company 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 the Company.

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

Recommendation 3.1 – Company Values

The Company's core values and commitments are:

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.

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.

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.

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 applies to the Company's Directors, CEO, management, employees, and third parties engaged with the Company. It provides a clear framework for making decisions and acting in an ethical and responsible manner in the workplace. The Code reflects the Company's commitment to integrity, fairness, and ethical conduct, as well as its duty of care towards employees, clients, and stakeholders.

The Board has formally adopted the Code and is committed to upholding the Company's core values. It mandates that all business activities be conducted legally, ethically, honestly, and with integrity.

The Code sets out the standards of conduct expected from the Company's employees, consultants, contractors, and business partners. It covers a wide range of areas, including ethical behaviour, conflict of interest, anti-bribery and corruption, confidentiality, privacy, non-discrimination, workplace safety, compliance with laws, and responsibilities to shareholders and the broader financial community. The full Code of Business Ethics is available on the Company's website at <https://peakprocessing.com/corporate-governance/>.

Under Board reporting practices, the Board, or a Committee of the Board, will be informed of any material incidents reportable under the Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy.

Recommendation 3.3 - Whistleblower Policy

The Company has adopted a Whistleblower Protection Policy that complies with the amendments to the Corporations Act 2001 (*Cth*) and the Taxation Administration Act 1953 (*Cth*), effective from 1 July 2019. The Policy is underpinned by a strong commitment to building a culture in the Company 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 or supplier, (collectively, "Employees and Stakeholders").

Whistleblowers play a vital role in the community by exposing fraud, corruption, and other misconduct.

Whistleblowing ensures that corporate entities and organisations are held accountable and operate within the confines of the law.

Employees and Stakeholders can report any misconduct or unethical behaviour related to the Company to the Chair of the Audit, Risk, and Compliance Management Committee or a person authorised by the Company to receive disclosures that may qualify for protection (Whistleblower Protection Officer). Employees and Stakeholders can also report misconduct and unethical behaviour related to the Company via a dedicated phone number and email address available to them, and can choose to remain anonymous to alleviate the 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.

Under Board reporting practices, the Board, or a Committee of the Board, will be informed of any material incidents reportable under the Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy.

A copy of the Whistleblower Protection Policy is available on the Company's website at:

<https://peakprocessing.com/corporate-governance/>

Recommendation 3.4 - Anti-bribery and Corruption Policy

The Company has a strict Anti-Bribery and Corruption Policy, available on the Company's website, which sets clear guidelines and procedures to prevent bribery, corruption, and unethical practices.

It outlines the Company's commitment to conducting business with integrity, complying with anti-bribery laws, and ensuring fair competition.

Under Board reporting practices, the Board, or a Committee of the Board, will be informed of any material incidents reportable under the Code of Conduct, Whistleblower Policy and Anti-Bribery and Corruption Policy.

PRINCIPLE 4: SAFEGUARD INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 – Audit, Risk and Compliance Management Committee

Due to its small size, the Board does not have any formal committees. The Board directly discharges the obligations and responsibilities set out in the respective committee charters and meets as required in those capacities. The Board believes it is important to disclose the meetings it holds, in accordance with the respective committee charters, and the meeting attendance table included in the Annual Report is completed accordingly.

Recommendation 4.2 - Chief Executive Officer and Chief Financial Officer Declaration

Before approving the Company's 2025 Financial Statements (as at 30 June 2025), the Board received a

formal declaration from the CEO and CFO. In their opinion, the financial records of the consolidated entity were properly maintained, the financial statements complied with applicable accounting standards, and provided a true and fair view of the Company's financial position and performance. This declaration was made based on a sound risk management and internal control system that was operating effectively.

Recommendation 4.3 - Integrity of Corporate Reports

The Company's Auditor reviews the Company's Half-Year Report and Annual Report prior to publication. The Auditor's independence declaration forms part of the Directors' Report. The external Auditor is invited to the Company's 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 (*Cth*).

The Company'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.

The Company's website contains copies of ASX releases, which include 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 Company's 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 Company's website.

Recommendation 5.2 - Market Announcements

The Company has established an approval process that ensures all Directors have reviewed and approved all material market announcements before they are provided to the ASX.

The Company Secretary is responsible for lodging all communications with the ASX and providing ASX confirmations of release to the Directors.

Recommendation 5.3 - Investor Presentations

The Company 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 Company provides general and current information regarding its purpose, Board and leadership and its activities on its website at <https://peakprocessing.com/board-management/>

The Investor Centre on the Company's website contains information about market and shareholder communications, including media releases and key policies. All relevant announcements made to the market and any other relevant information are posted in the Investor Centre on the website following release on the ASX market announcements platform. Information on the Company, as well as its governance policies and procedures, is available to investors on the Company's website at: <https://peakprocessing.com/corporate-governance/>

Recommendation 6.2 - Investor Relations

The Board is committed to keeping shareholders informed of all material developments affecting the Company in a timely and effective manner. This is achieved through the lodgement of relevant financial and corporate information with the ASX and the publication of updates on the Company's website. Investor relations are managed internally, with the Company encouraging two-way communication by inviting shareholder and investor engagement through each ASX announcement and external communication. In addition, the Company hosts investor webinars following the release of each financial report, which include dedicated time for questions and interaction with shareholders.

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 meetings of shareholders. Notices of General Meetings are provided to Shareholders and posted on the Company's 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

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, along with proxy voting forms attached.

Recommendation 6.5 – Electronic Communication

The Company's website offers shareholders the opportunity to subscribe to investor updates and communicate with the Company via email. Investor updates are also readily available on the website. The Company website also enables shareholders with the ability to securely access the Company's securities registry, providing further opportunities to receive information and update their contact details.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Risk Committee and Review

Due to its small size, the Board does not have any formal committees. The Board directly discharges the obligations and responsibilities set out in the respective committee charters and meets as required in those capacities. The Board believes it is important to disclose the meetings it holds, in accordance with the respective committee charters, and the meeting attendance table included in the Annual Report is completed accordingly.

Recommendation 7.2 - Risk Management Framework

The Company has a risk management framework in place to identify, monitor, and manage key risks, which is reviewed annually by the Board. This review was completed during the FY25 reporting period.

The ARC oversees the framework, sets the risk appetite, and monitors internal controls and reporting systems in collaboration with the CEO and external auditors. The CEO is responsible for implementing the framework and reporting on its effectiveness.

The risk management framework for the Company 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.

The Audit, Risk and Compliance Management Committee is responsible for overseeing the Company's audit function and ensuring compliance with financial and risk management policies. It reviews and monitors the Company's risk management framework and policies and provides recommendations to the Board as appropriate.

Recommendation 7.3 - Internal Audit

The Company does not currently operate a dedicated internal audit function, as the Board considers this approach to be appropriate and cost-effective, given the Company's current size and stage of development. The Audit, Risk and Compliance Management Committee (ARC) is responsible for overseeing the internal control environment and ensuring that robust policies and procedures are in place and effectively followed. Where necessary, the Board may engage an independent third party to conduct internal audit activities on a targeted or ad hoc basis.

The Company's management team has implemented a comprehensive system of risk management and internal controls designed to identify, assess, and manage strategic, operational, financial, and compliance risks. These systems are supported by clearly defined policies, delegation frameworks, reporting protocols, and the recruitment and training of qualified personnel. The effectiveness of these internal controls is reviewed by the Company's external auditors as part of their routine audit process. The Board is confident that the existing control environment is appropriate for the current scale and complexity of the Company's operations.

Recommendation 7.4 - Risk Exposure

During the 2025 reporting period, the main exposure to economic risk for the Company 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.

The Company manages risk through its Audit, Risk and Compliance Management Committee and the Company's 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

Due to its small size, the Board does not have any formal committees. The Board directly discharges the obligations and responsibilities set out in the respective committee charters and meets as required in those capacities. The Board believes it is important to disclose the meetings it holds, in accordance with the respective committee charters, and the meeting attendance table included in the Annual Report is completed accordingly.

Recommendation 8.2 - Remuneration Policy

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

Details of the Company's Executive Remuneration Policy are included in the Remuneration and Nomination Committee Charter and also set out in the Remuneration Report of the 2025 Annual Report, which is available on the Company's website.

Senior Executive remuneration is reviewed annually. The Remuneration and Nomination Committee may seek benchmarking advice from external advisers to assist in reviewing the remuneration of Directors or Senior Executives.

Recommendation 8.3 – Equity-Based Remuneration Scheme

The Company has an Equity Based Remuneration Scheme in the form of a Performance Rights Plan which was approved by shareholders at the 2024 Annual General Meeting. A copy of the Performance Rights Plan is available upon request. Specific share price hurdles will be put in place for recipients to be eligible for rights when they vest.