

HOT CHILI LIMITED (ACN 130 955 725)

Environmental, Social and Governance Committee Charter

Adopted: 17 December 2024

1. Introduction

The Board of Directors (**Board**) of Hot Chili Limited (**Company**) has established the Environmental, Social and Governance (**ESG**) Committee (**Committee**).

This document governs the composition, role and responsibilities of the Committee in conjunction with the Company's Constitution.

The primary purpose of the Charter is to specify the authority delegated to the Committee by the Board and to set out the role, responsibilities, membership and operation of the Committee.

2. Purpose of the Committee

The primary purpose of the Committee is to support and advise the Board in respect of ESG related matters, including environmental protection, sustainability, social engagement, health and safety, and interactions and matters related to good governance both internally and externally. The Company notes that its long-term viability and success require a high level of commitment to the recognition and management of its responsibilities relating to the governance, strategy and risk management of its environmental impact, its social license and its commitment to strong governance. The Company's approach to ESG should benefit shareholders, communities, employees and suppliers and enhance the confidence of all stakeholders in dealing with or investing in the Company.

The Committee acts as a sub-committee of the Board and has the authority as set out in this Charter or as otherwise delegated by the Board.

3. Objectives of the Committee

The primary objectives of the Committee are to assist the Board to discharge its obligations in respect of the following matters:

- review and approve an ESG policy;
- enable the Company to identify and classify material environmental (including climate), social (including health and safety) and governance related risks and opportunities;
- enable the Board to effectively discharge its duties of oversight and governance of matters relating to environment, social and governance;

- identify and assess material environmental and community related areas of risk and advise the Board on the Company's governance and performance in these areas;
- monitor the Company's strategy, policies and processes in managing environmental (including climate), social (including health and safety) and governance related risks and report back to the Board on this performance;
- review how ESG related scenarios inform strategy and financial planning; and
- Identify and advise on regulatory and reporting requirements related to ESG.

The Committee will undertake a review and assessment of the disclosure of the Company on material exposure to environmental and social risks as referred to in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Committee will advise the Board and make recommendations regarding the appropriate material and disclosures to be included in the Company's Corporate Governance Statement under the ASX Listing Rules and any other relevant legislated compliance and review those parts of the Company's annual report which relate to the Company's ESG policies and practices.

The Board has ultimate responsibility for the integrity of the Company's ESG policies and practices and the performance of Directors, officers and employees, notwithstanding the establishment and role of the Committee.

4. Responsibilities of the Committee

The primary responsibilities of the Committee are to assist the Board in performing the following functions:

Sustainability Policies

Review and make recommendations to the Board on:

- the Company's process to identify, assess and manage the risks and opportunities related to environment (including climate change) and community, its social licence to operate, health and safety, and including review of the process to incorporate sustainability related goals into the Company's strategy;
- to monitor the delivery of commitments and targets set from this process within regulatory requirements;
- review qualitative and quantitative assessments of level of materiality;
- assessment and recommendation of reporting frameworks to meet disclosure obligations under the various compliance frameworks;
- assessment of the approach of the Company to its compliance requirements and measurement of the management's progress against ESG targets;
- the appropriateness and applicability of the Company's policies, including its code of conduct, anti-bribery and anti-corruption, communications and disclosure, securities trading, diversity, risk management and whistleblower, and the processes, procedures, training and reporting thereon;

- the appropriateness and applicability of the Company's board and committee charters; and
- Review and recommend to the Board for approval the Modern Slavery Statement.

Disclosure

Review and make recommendations to the Board for approval on disclosures relating to ESG matters in the Annual Report and other published documents addressing the Company's reporting on environment, climate, community, social health and safety and governance matters. In making its recommendations, the Committee should ensure that they are comfortable with the verification and assurance processes on compliance with the Company's ESG policy and disclosure thereon.

Other

Consider any other matters referred to the Committee by the Board.

5. Powers and Authority

5.1 Access

The Committee has rights of access to the Company's management and to seek access to the Company's auditors (internal and external) without management present, for the purposes of performing its function under this Charter.

The Committee may request any Company records or other information it requires from any officers, employees, contractors or agents of the Company.

Where practicable, the Committee should undertake a site visit on a suitable periodic basis and, during each visit, engage with stakeholders, including employees and, where appropriate, representatives of the community, including, where practical, indigenous community members.

5.2 Enquiries

The Committee has the power to conduct any enquiry or investigation relevant to its function under this document, including to interview any officers, employees, contractors or agents of the Company, and to seek explanations and additional information. For this purpose, the Committee may engage appropriate independent experts or professional advisors that it considers necessary at the cost of the Company.

5.3 Professional and independent advice

The Committee is authorised by the Board to obtain legal or other independent advice and to secure the services, advice or assistance of consultants with relevant experience and expertise, at the reasonable expense of the Company.

Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee is to request professional advice or assistance via the Chair of the Board.

5.4 Resources

The Committee may seek and consider educational information on topics relevant to the Company and the functions of the Committee, to assist in fulfilling the Committee's duties.

6. Reliance

The Committee may rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- an employee of the Company whom the Committee reasonably believes to be reliable and competent in relation to the matters concerned;
- an expert or professional advisor to the Company in relation to matters that the Committee reasonably believes to be within the person's expert or professional competence; or
- another Director or officer of the Company in relation to matters within the Director's or officer's authority.

7. Composition of the Committee

7.1 Members

The Committee will have at least three members who are to be appointed by the Board, provided that, if the Board comprises less than three independent non-executive Directors, the Committee will be comprised of only two members who are non-executive Directors.

The members should, where practicable, having regard to the size, nature and scope of the Company's operations, consist of:

- at least one Director who has relevant experience or an understanding of the industry in which the Company operates and who is appropriately skilled in environmental, social and governance matters as determined by the Board; and
- Directors who have an appropriate level of understanding of the ASX Corporate Governance Principles and Recommendations.

7.2 Chair

The Committee should, where practicable, having regard to the size, nature and scope of the Company's operations, be chaired by a non-executive Director who is considered to be 'independent' for the purposes of the Board Charter (**Committee Chair**).

The Committee Chair should not be the chairperson of the Board.

7.3 Secretary

The Company Secretary will be the secretary of the Committee, unless the Board determines otherwise.

7.4 Invitees

Other Directors, senior management of the Company (including the Company's Managing Director and Chief Financial Officer, if applicable) may, from time to time, be invited to attend Committee meetings, if it is considered appropriate by the Committee.

Directors, officers and employees should not be present at any Committee meeting and must not vote on any matter in which they have a particular personal interest.

8. Meetings

8.1 Frequency

The Committee must meet at least twice in each financial year, and at such other intervals as reasonably required to perform its responsibilities.

8.2 Calling a meeting

A member of the Committee may request that the Company Secretary call a meeting of the Committee.

The Company Secretary must give all members of the Committee notice of the time, date and location of a proposed meeting as far in advance as possible.

The Company Secretary will prepare an agenda, meeting papers and explanatory documents for a meeting of the Committee and submit them to the Committee Chair for approval prior to circulating to the members before the meeting.

8.3 Attendance and Quorum

Members of the Committee may attend meetings in person or using telecommunications technology.

The quorum for a meeting of the Committee is at least two members who must be present at the beginning of the meeting and at all times during the meeting.

8.4 Acting Chair

If the Committee Chair is not present for a meeting of the Committee or any part of that meeting, the other members present must elect one member as the acting chair.

8.5 Decision making

Decisions of the Committee will be based on a majority of votes.

The Committee may pass any resolution or otherwise approve any matter without a meeting if the resolution or approval is recorded in writing and signed by all members, provided that Committee Chair determines it appropriate to do so.

8.6 Minutes

The Company Secretary will be responsible for taking minutes of each Committee meeting and circulating them to Committee members as soon as practicable after the close of each meeting. The Company Secretary will attach an action item list, identifying matters raised during the meeting, to the minutes.

The minutes and other documentation of the Committee (such as written resolutions) will, where possible, be included in the meeting papers for the next Board meeting after each Committee meeting.

9. Reporting to the Board and Shareholders

The Committee will provide a verbal report at the next meeting of the Board following each Committee meeting on the proceedings of the meeting, the outcomes of the Committee's reviews and recommendations, and any other relevant issues.

10. Performance Evaluation

The Committee will review its performance from time to time and whenever there are material changes to the management of the Company.

The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this document.

11. Corporate Group

In this Charter, a reference to the Company includes any 'related body corporate' (as defined in the *Corporations Act 2001* (Cth)) of the Company, as the context requires.

12. Review of this Charter

The Board will review this Charter on a periodic basis, and may amend this Charter, to ensure the effectiveness of the Committee and the Committee's roles and responsibilities are consistent with laws and regulations.

The Company will publish this Charter on the Company's website at www.hotchili.net.au.