



Hot Chili Limited

ACN 130 955 725

Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Annual General Meeting to be held at

**First Floor
768 Canning Highway
Applecross Western Australia**

10.00am (WST) on Wednesday, 30 November 2022

IMPORTANT NOTE

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Important Information

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Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	10.00am (WST) on Monday, 28 November 2022
Snapshot date for eligibility to vote	10.00am (WST) on Monday, 28 November 2022
Annual General Meeting	10.00am (WST) on Wednesday, 30 November 2022

Voting

In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Annual General Meeting. Shareholders are strongly encouraged to vote by lodging the proxy form attached to this Notice of Meeting in accordance with the instructions set out on that form by no later than 10.00am (WST) on 28 November 2022.

Defined terms

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Hot Chili Limited (ACN 130 955 725) (**Hot Chili or Company**) will be held at **First Floor, 768 Canning Highway, Applecross, Perth, Western Australia** at **10.00am (WST)** on **Wednesday, 30 November 2022**.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

Financial Statements and Reports

To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2022, as contained in the Company's Annual Report.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit to pass, with or without amendment, the following resolution as a **non-binding advisory resolution**:

"That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2022 be adopted by the Company."

Notes:

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") that another meeting be held within 90 days at which all of the offices of Director are vacated (other than the office of managing director) and each such office will be put to a vote. Refer to the Explanatory Statement for further information.

Resolution 2: Election of Director – Dr Nicole Adshead-Bell

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 14.4, clause 7.1(e) of the Company's Constitution, and for all other purposes, Dr Nicole Adshead-Bell, a Director of the Company who was appointed to the Board as an additional Director, who retires in accordance with clause 7.1(e) of the Constitution and, being eligible, offers herself for election, be elected as a Director of the Company."

Resolution 3: Re-election of Director – Mr Roberto de Andraca Adriasola

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 14.4, clause 7.3(a) of the Company’s Constitution and for all other purposes, Mr Roberto de Andraca Adriasola, a Director of the Company who retires in accordance with clause 7.3(a) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Resolution 4: Re-election of Director – Mr George Randall Nickson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 14.4, clause 7.3(a) of the Company’s Constitution and for all other purposes, Mr George Randall Nickson, a Director of the Company who retires in accordance with clause 7.3(a) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Resolution 5: Re-election of Director – Dr Allan Trench

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Dr Allan Trench, a Director of the Company, be re-elected as a Director of the Company.”

Resolution 6: Re-election of Director – Mr Mark Jamieson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Mr Mark Jamieson, a Director of the Company, be re-elected as a Director of the Company.”

Resolution 7: Re-election of Director – Mr Christian Easterday

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of section 14.2(c) of TSXV Policy 3.1 and all other purposes, Mr Christian Easterday, the Managing Director of the Company, be re-elected as a Director of the Company.”

Resolution 8: Ratification of issue of Interest Shares to Non-Related Parties

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 109,522 Shares, issued at a deemed price of \$0.92309 to satisfy \$101,099 in interest payable to former holders of Convertible Notes within the Company’s issuance capacity under Listing Rule 7.1, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 9: Re-approval of Employee Incentive Plan and issue of Equity Securities under Employee Incentive Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.2, Exception 13, section 5.2(c) of TSXV Policy 4.4 and for all other purposes, Shareholders approve the Company’s updated Employee Incentive Plan, a summary of which is set out in the Schedule to the Explanatory Statement, and for the issue of up to 6,000,000 Equity Securities under the plan in reliance on Listing Rule 7.2 (Exception 13), on the terms and conditions set out in the Explanatory Statement.”

Resolution 10: Amendment of Constitution

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations and for all other purposes, approval is given for the Company to amend its existing Constitution to permit the Company to hold general meetings using virtual meeting technology as contemplated by section 249R(1)(c) of the Corporations Act, in the manner set out in the Explanatory Statement, with effect from the conclusion of the Meeting.”

Note: Resolution 10 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

Resolution 11: Approval of Auditor

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of sections 12.2 and 14.2(b) of TSXV Policy 3.1, the Company’s auditor, RSM Australia Partners, having consented in writing to act as auditor, be re-elected as the auditor of the Company and its controlled entities for the 2022-2023 fiscal year, at a remuneration to be fixed by the Board.”

By order of the Board

Penelope Beattie

Company Secretary
28 October 2022

Voting Prohibitions and Exclusions

Corporations Act voting prohibitions

Pursuant to sections 250BD and 250R(4) of the Corporations Act, the following are subject to restrictions on voting as set out in the table:

Resolution	Voting prohibition	Exceptions
Resolution 1	<p>Pursuant to section 250R of the Corporations Act, members of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) and their Closely Related Parties may not vote.</p> <p>Any votes cast in contravention of section 250R of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>This prohibition does not prevent the casting of a vote by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chair may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>
Resolution 9	<p>Pursuant to section 250BD of the Corporations Act, members of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) and their Closely Related Parties appointed as proxy may not vote.</p> <p>Any votes cast in contravention of section 250BD of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>This prohibition does not prevent the casting of a vote by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chair may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons. However, this does not apply to a vote cast in favour of the following Resolutions by:

- the person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial, or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution	Excluded parties
Resolution 8	Former holders of Convertible Notes, being persons to whom Interest Shares were issued.
Resolution 9	A Director (except a Director that is ineligible to participate in the Employee Incentive Plan).

Proxy Appointment, Voting, and Meeting Instructions

Information for Shareholders on the Australian Register

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received as below by **10.00am (WST) on Monday, 28 November 2022**, being not later than 48 hours before the commencement of the Meeting. A Proxy Form received after that time will not be valid.

Online	At www.investorvote.com.au
By mail	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
By fax	1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
By mobile	Scan the QR Code on your proxy form and follow the prompts
Custodian voting	For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

The Company encourages Shareholders to appoint the Chairperson as your proxy. To do so, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Company on +61 8 9315 9009.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of

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appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairperson voting undirected proxies

If the Chairperson is your proxy, the Chairperson will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairperson to vote your undirected proxies at his/her discretion.

As at the date of this Notice of Meeting, the Chairperson intends to vote undirected proxies **FOR** each of the Resolutions. In exceptional cases the Chairperson's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **10.00am (WST) on Monday, 28 November 2022**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

Questions for the Board of Directors can be emailed to admin@hotchili.net.au and must be received be submitted by no later than **5.00pm (WST) on Monday, 28 November 2022**.

The board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

Copies of written questions will be made available on the Company's website prior to the Meeting.

The Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

RSM Partners Australia, as the Auditor responsible for preparing the Auditor's Report for the year ended 30 June 2022 (or its representative), will attend the Meeting. The Chairperson will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the Meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

To assist the Auditor of the Company in responding to any questions you may have, please submit any questions you may have to the Auditor at an address below by no later than **5.00pm (WST) on Wednesday, 23 November 2022**.

By mail: Level 32, Exchange Tower, 2 The Esplanade
Perth WA 6000

By fax: +61 8 9261 9111

As required under section 250PA of the Corporations Act, at the Meeting, the Company will make available those questions directed to the Auditor received in writing at least five Business Days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the Annual Financial Report for the year ended 30 June 2022. The Chairperson will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Annual Report

The Company advises that a copy of its Annual Report for the year ended 30 June 2022, is available to download at the website address, <https://www.hotchili.net.au/investors/>.

When you access the Company's Annual Report online, you can view it and print a copy.

Please note that if you have elected to continue to receive a hard copy of the Company's Annual Reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the Meeting.

Information for Shareholders on the Canadian Register

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received by **10:00 a.m. (EST) on 25 November 2022**, by mail to Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto ON, M5J 2Y, by facsimile at -416-263-9524 or toll free at 1-866-249-7775, online at www.investorvote.com and follow the instructions on the screen, or by phone at 1-866-732-VOTE (8683). A Proxy Form received after that time will not be valid.

Appointment of Proxy

You have the right to appoint a person (who need not be a Shareholder) to attend and act on your behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.

A proxy will not be valid unless it is signed by you or by your attorney duly authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer in accordance with the instructions attached on the enclosed form of proxy.

Revocation of Proxies

You have the power to revoke a proxy in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice of Meeting, management knows of no such amendment, variation or other matter.

You must mark the boxes directing your proxy on how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

Advice for Beneficial Holders

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). A non-registered shareholder cannot be recognized at the Meeting for the purpose of voting their Shares unless such holder is appointed by the applicable intermediary as a proxyholder.

In Canada, non-registered owners who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered owners who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners ("**OBOs**").

In accordance with applicable securities legislation, the Company has elected to seek voting instructions directly from NOBOs. As a result, NOBOs can expect to receive a voting instruction form (a "**VIF**"), together with the meeting materials from the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare Canada**"). These VIFs are to be completed and returned to Computershare Canada in accordance with the instructions. Computershare Canada will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Shares represented by such VIFs.

The Company has distributed copies of the Meeting materials to intermediaries for distribution to all OBOs who have not waived their rights to receive these materials. Often, intermediaries will use a service company (such as Broadridge Financial Solutions Inc.) to forward these meeting materials to non-registered Shareholders. With those meeting materials the intermediaries will provide OBOs with a form of VIF. When properly completed this VIF will constitute voting instructions which the intermediary must follow.

The mechanisms described above for registered Shareholders cannot be used by non-registered shareholders and the instructions on the VIF **must** be followed. The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to direct how his or her Shares are to be voted at the Meeting.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker "non-votes" will, however, be counted in determining whether there is a quorum.

All proxy-related material sent by the Company has been sent using information (as to name, address and shareholdings) obtained pursuant to, and in accordance with, applicable securities legislation from the intermediaries. By electing to send materials directly to NOBOs, the Company (and not the intermediary) has assumed responsibility for: (i) delivering the meeting materials to you; and (ii) executing proper voting instructions.

Voting entitlement (record date)

For the purposes of determining voting and notice entitlements in respect of the Meeting, Shares will be taken to be held by the persons who are registered on the Canadian register as holding the Shares at

the close of business (Toronto time) on **October 25, 2022**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to receive notice of and vote at the Meeting.

Listings

The Company is listed on the Australian Securities Exchange and the TSX Venture Exchange, and the Shares are quoted on the OTCQX Market. It is a "designated foreign issuer" as defined in National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* and is subject to the regulatory requirements of the Australian Securities & Investments Commission and the Australian Securities Exchange. As a result, the Company does not include a management information circular pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* in this Notice of Meeting and Canadian shareholders are cautioned that the disclosures contained in this Notice of Meeting and Explanatory Statement may not be comparable to what would otherwise be disclosed by reporting issuers that are not designated foreign issuers.

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Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Financial Statements and Reports

Shareholders are to receive and consider the Financial Statements, Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2022.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2022 at the Meeting.

2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report in the Company's 2022 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R (3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

At the Company's previous Annual General Meeting the votes against the Remuneration Report was less than 25% of the votes cast on the Resolution. As such, Shareholders do not need to consider a spill resolution at the Meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairperson and expressly authorises the Chairperson to exercise the proxy. The Chairperson will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1.

3. Resolutions 2 - 7: Election of Directors

3.1 Background and regulatory requirements

Resolutions 2 to 7 seek Shareholder approval for the election of all Directors of the Company.

These Resolutions are proposed to satisfy various requirements of the Listing Rules, the Company's Constitution and TSXV Policies concerning the election of Directors.

Clause 7.1(d) of the Company's Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 7.1(e) of the Company's Constitution requires that any directors appointed by the Board during the year, hold office only until the next annual general meeting and are then eligible for election.

Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Listing Rule 14.4 and clause 7.3(a) of the Constitution require that no Director may serve office for more than 3 years without re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment; or
- (c) if the Directors have been in office for an equal length of time, by agreement.

As the Company is now listed on the TSXV it is also required to comply with the TSXV Policies.

Section 14.2(c) of TSXV Policy 3.1 requires that Shareholders be permitted to vote on the election of all Directors at every annual general meeting of a company listed on the TSXV. The election of all Directors for the purposes of the requirements of TSX Policy 3.1 includes the Managing Director.

3.2 **Election of Dr Nicole Adshead-Bell (Resolution 2)**

In accordance with the Listing Rules and the Constitution, Dr Adshead-Bell is required to retire as a Director at the Meeting and is eligible for election as a Director.

Dr Adshead-Bell was appointed to the Board on 5 January 2022 as an additional Non-Executive Director and was subsequently appointed as Independent Chairman of the Company on 1 March 2022.

If Resolution 2 is passed, Dr Adshead-Bell will be re-elected as a Director of the Company.

If Resolution 2 is not passed, Dr Adshead-Bell will not be re-elected and she will retire as a Director. The Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Dr Adshead-Bell is a geologist with a deep understanding of the mining industry from over 27 years bridging the gap between the technical, corporate (Executive and Director), institutional investor and investment banking segments of the business – within an ESG framework. Her career includes CEO of ASX-listed Brazilian gold producer Beadell Resources (prior to its acquisition by Canadian/US listed Great Panther Mining Ltd); Director of Mining Research at Sun Valley Gold LLC (a SEC registered precious metals focused fund); and Managing Director, Investment Banking, Haywood Securities (Canadian independent investment dealer). While at Haywood she was involved in ~20 public transactions including streaming, mergers, acquisitions and divestures and raising ~C\$1.8Bn in equity/convertible financings. More recently she established Cupel Advisory Corp. to focus on investments and advisory services in the mining sector.

Dr Adshead-Bell has over 18 years of cumulative public board experience including exploration, development, operating and royalty companies listed in Canada, USA, Australia and the UK.

Dr Adshead-Bell has PhD in structural/economic geology from James Cook University where she also completed her geology undergraduate and honours degrees. She is currently a Non-Executive Director of TSX listed Altius Minerals Corp., a diversified royalty company focused on sustainability related global growth trends including copper, battery metals (lithium, nickel, cobalt), clean iron ore, potash and renewable electricity generation; TSXV listed Bravo Mining Corp., a Canada- and Brazil-based mineral exploration and development company focused on advancing its 100% owned Luanga PGM+Au+Ni Project in the Carajás Mineral Province of Brazil; TSX listed Dundee Precious Metals Inc., a Canada-based international mining company engaged in the acquisition, exploration, development, mining and processing of precious metal properties in Bulgaria, Namibia and Serbia; and ASX listed Matador Mining Ltd, a junior exploration/development company focused on advancing its Cape Ray Gold Project in Newfoundland, Canada.

3.3 **Re-election of Mr de Andraca Adriasola (Resolution 3)**

Mr de Andraca Adriasola retires in accordance with the Listing Rules and the Constitution and, being eligible, offers himself for re-election as a Director.

If Resolution 3 is not passed, Mr de Andraca Adriasola will no longer be a Director of the Company. The Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Mr de Andraca Adriasola is a business manager with 25 years' experience in the financial and mining business. Over the last five years he has been working in the main Iron Ore and Steel Producer in Chile, CAP S A. He also oversaw the construction of the first desalination plant dedicated 100% to producing water for mining companies in the north of Chile.

Mr de Andraca Adriasola has finance experience working at Chase Manhattan Bank, ABN Amro and Citigroup, working both in Chile and in New York and holds an MBA from the Adolfo Ibanez Business School of Chile. He is a director of Puerto Los Losas, a port in the Atacama Region of Chile. He was elected to the board of directors of CAP S.A. on 18 April 2017, until that date he held the position of VP of Business Development.

3.4 **Re-election of Mr George Randall Nickson (Resolution 4)**

Mr Nickson retires in accordance with the Listing Rules and the Constitution and, being eligible, offers himself for re-election as a Director.

If Resolution 4 is not passed, Mr Nickson will no longer be a Director of the Company. The Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Mr Nickson has more than 35 years' of global experience in the mining industry, including 14 years based in Chile devoted to copper exploration. His career includes work across a range of base and precious metals, bulk commodities and energy. He holds an honours degree in Geological Engineering and a Masters degree in Business Administration.

Mr Nickson is currently engaged as an independent consultant to the exploration sector, specializing in business development, commercial advisory and business evaluations. Prior to that he spent 16 years with BHP, where he worked in a variety of senior technical, exploration management and business development roles while based in Chile, Brazil and Australia. He is a member of the Australasian Institute of Mining & Metallurgy and the Prospectors and Developers Association of Canada.

3.5 **Re-election of Dr Allan Trench (Resolution 5)**

Dr Trench stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1. He offers himself for re-election as a Director.

If Resolution 5 is not passed, Dr Trench has advised he will resign as a Director. The Board may then consider an appointment to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next AGM.

Dr Trench is a geologist/geophysicist and business management consultant with over 28 years experience across a broad range of commodities. His minerals sector experience spans strategy formulation, exploration, project development and mining operations. Dr Trench holds degrees in geology, a doctorate in geophysics, a Masters degree in Mineral Economics and a Masters degree in Business Administration. He currently acts or acted as independent director to Pioneer Resources Ltd, commenced 5 September 2008, Enterprise Metals Ltd, commenced 3 April 2012 and Emmerson Resources Ltd, commenced 3 March 2015.

Dr Trench has previously worked with McKinsey & Company as a management consultant, with Woodside Petroleum in strategy development and with WMC both as a geophysicist HOT CHILI HOT CHILI Annual Report Annual Report 2022 2022 37 and exploration manager. He is an Associate Consultant with international metals and mining advisory firm CRU Group has contributed to the development of CRU's uranium practice, having previously managed the CRU Group global copper research team. Dr Trench maintains academic links as a Professor at the University of Western Australia (UWA) Business School and also research professor at the Centre for Exploration Targeting, UWA.

3.6 **Re-election of Mr Mark Jamieson (Resolution 6)**

Mr Jamieson stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1. He offers himself for re-election as a Director.

If Resolution 6 is not passed, Mr Jamieson has advised he will resign as a Director. In that event, the Board anticipates that another nominee of Glencore AG may be appointed to the Board to fill a casual vacancy.

Mr Jamieson is currently General Manager Resource Engineering for Glencore's global copper asset group leading technical support and governance in geology, mine engineering and asset optimisation for development projects, operations and joint ventures. Mark brings 20+ years of technical and project experience in open pit and underground operations, including sub level and block cave mines with Newcrest, MMG and Barrick Gold across Australia, Africa, South East Asia and South America. Mark holds a bachelor's degree with honours in Geotechnical Engineering from RMIT University, and a Masters of Engineering Science in Mining Geomechanics from The University of New South Wales.

3.7 **Re-election of Mr Christian Easterday (Resolution 7)**

Mr Easterday stands for election as a Director in accordance with the requirements of section 14.2(c) of TSX Policy 3.1. He offers himself for re-election as a Director.

If Resolution 7 is not passed, Mr Easterday has advised he will resign as a Director. In that event, the Board anticipates that Mr Easterday would remain employed as the Company's Chief Executive Officer (but not as a Director), unless Mr Easterday also resigned as Chief Executive Officer.

Mr Easterday is a geologist with over 20 years' experience in the mineral exploration and mining industry and is a founding director of Hot Chili, having led the Company since its public listing in 2010. He holds an Honours Degree in Geology from the University of Western Australia, a Masters degree in Mineral Economics from Curtin University of Technology and a Masters Degree in Business Administration from Curtin's Graduate School of Business. Mr Easterday held several senior positions and exploration management roles with top tier gold companies including Placer Dome, Hill 50 Gold and Harmony Gold, specialising in structural geology, resource development and mineral economic valuation. Mr Easterday has extensive experience in various aspects of project negotiation drawing together his commercial, financial and project valuation skills. This work has involved negotiations and valuations covering gold, copper, uranium, iron ore, nickel, and tantalum resource projects in Australia and internationally. Mr Easterday is a Member of The Australian Institute of Geoscientists.

3.8 **Directors' recommendations**

The Directors (other than Dr Adshead-Bell) recommend that Shareholders vote in favour of Resolution 2 to elect Dr Adshead-Bell as a Director.

The Directors (other than Mr de Andraca Adriasola) recommend that Shareholders vote in favour of Resolution 3 to re-elect Mr de Andraca Adriasola as a Director.

The Directors (other than Mr Nickson) recommend that Shareholders vote in favour of Resolution 4 to re-elect Mr Randall Nickson as a Director.

The Directors (other than Dr Trench) recommend that Shareholders vote in favour of Resolution 5 to re-elect Dr Allan Trench as a Director.

The Directors (other than Mr Jamieson) recommend that Shareholders vote in favour of Resolution 6 to re-elect Mr Mark Jamieson as a Director.

The Directors (other than Mr Easterday) recommend that Shareholders vote in favour of Resolution 7 to re-elect Mr Christian Easterday as a Director.

4. Resolution 8: Ratification of issue Interest Shares to Non-Related Parties

4.1 Background

Resolution 8 seeks Shareholder approval to ratify the issue Shares in satisfaction of interest (**Interest**) payable by the Company pursuant to the terms and conditions of the convertible notes with a face value of \$100 each that it issued to investors under its capital raising announced to ASX on 21 June 2017 (**Convertible Notes**).

The Convertible Notes were issued with shareholder approval at the Company's general meetings held on 6 June 2017 and 31 August 2017.

The Convertible Notes matured on 22 June 2022 and all outstanding Convertible Notes were converted to Shares at maturity.

Pursuant to the terms of the Convertible Notes, interest at a rate of 8% per annum, calculated daily, compounding monthly (**Interest**), was payable to holders of Convertible Notes (**Noteholders**) was payable on the Convertible Notes at maturity in respect of the period from 1 April 2022 to 22 June 2022, being a total amount of \$101,099 payable to non-related parties

The Company elected to pay outstanding Interest on the Convertible Notes in Shares (**Interest Shares**), at a deemed issue price equal to the volume-weighted average price (**VWAP**) of the Company's Shares calculated over the five trading days prior to their issue date.

Resolution 8 is an ordinary resolution seeking approval by Shareholders of the ratification of the issue of 109,522 Shares as Interest Shares.

None of the persons to whom 109,522 Interest Shares were issued were or are Related Parties of the Company.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Interest Shares does not fall within any of exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period from the issue date of the Interest Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

Purpose and effect of Resolution 8

Resolution 8 seeks Shareholder approval of the issue of 109,522 Interest Shares under Listing Rule 7.1 for the purposes of Listing Rule 7.4.

If Resolution 8 is passed, the issue of 109,522 Interest Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 8 is not passed, the issue of 109,522 Interest Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

4.2 Listing Rule information requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 8:

(a) Persons to whom Interest Shares were identified

The recipients of the Interest Shares were the then Noteholders of the Company, or their nominees, none of whom were Related Parties of the Company, and none of whom were members of the Company's key management personnel, substantial holders in the Company, advisers to the Company, or an associate of any of the above, who were be issued more than 1% of the Company's current issued capital.

(b) The number and class of securities issued

The Company issued 109,522 Interest Shares within the Company's 15% placement capacity under Listing Rule 7.1.

All Interest Shares were fully paid ordinary shares in the Company which rank equally with all other Shares on issue.

(c) The date on which the securities were issued

The Interest Shares were issued by the Company on 29 June 2022.

(d) The price at which the securities were issued

The Interest Shares were issued at a deemed issue price of \$0.92309 per Share, being the price equal to the VWAP of Shares over the 5 trading days prior to their issue date.

(e) The purpose of the issue, including use or intended use of the funds raised

The Interest Shares were issued in satisfaction of \$101,099 in Interest payable by the Company to Noteholders pursuant to the terms of the Convertible Notes in respect of the period 1 April 2022 to 22 June 2022.

No funds were raised by the issue of the Interest Shares.

(f) If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

A summary of the material terms of the Convertible Notes is set out at Schedule 1 to this Explanatory Statement.

4.3 Directors' recommendations – Resolution 8

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8 as it will refresh the Company's issuing capacity under Listing Rule 7.1 and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

5. Resolution 9: Re-approval of Employee Incentive Plan and Approval of Issue of Securities under Employee Incentive Plan

5.1 Background

The Company currently operates an Employee Incentive Plan under which Directors, officers, employees and certain contractors may be offered awards pursuant to which they acquire or earn Equity Securities (e.g. Shares, Options and performance rights) in the Company.

The Employee Incentive Plan has been established with the objectives of:

- For personal use only
- (a) establishing a method by which eligible participants can participate in the future growth and profitability of the Company through holding of equity interests in the Company;
 - (b) providing an incentive and reward for eligible participants for their contributions to the Company;
 - (c) attracting and retaining a high standard of executive, managerial, technical and other personnel for the benefit of the Company; and
 - (d) aligning the interests of eligible participants more closely with the interests of the Shareholders, by providing an opportunity for eligible participants to hold an equity interest in the Company.

The *Treasury Laws Amendment (Costs of Living Support and Other Measures) Act 2022 (ESS Act)* introduced a new Division 1A into Part 7.12 of the Corporations Act in relation to employee share schemes. The ESS Act, which takes effect from 1 October 2022, effectively replaces and expands the existing ASIC Class Orders [CO 14/1000] and [CO 14/1001].

Accordingly, the Company has prepared an updated Employee Incentive Plan to reflect the changes to employee share schemes under the Corporations Act, as introduced by the ESS Act.

The key changes to the Employee Incentive Plan are that for offers of securities made for no monetary consideration, removing the issue limit previously stated in the Employee Incentive Plan for the purposes of enabling those offers to be made without the need for a disclosure document under the Corporations Act to be given to the participant.

Shareholder approval pursuant to Listing Rule 7.2 Exception 13 is being sought to approve the issue of securities under the updated Employee Incentive Plan.

5.2 **Applicable ASX Listing Rules**

Listing Rule 7.1 limits the number of securities a listed company may issue in any 12-month period without shareholder approval. However, securities issued pursuant to an exception to Listing Rule 7.1 are not counted for the purposes of the limit.

Listing Rule 7.2 (Exception 13) provides that shareholders may approve the issue of Equity Securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of Equity Securities in the listed company made under an employee incentive scheme within three years of the date of the approval.

If Resolution 9 is passed, the Company will be able to issue equity securities under the Plan without further Shareholder approval and without those securities being included in the calculation of the Company's 15% placement capacity under Listing Rule 7.1 for a period of 3 years from the date Resolution 9 is passed.

If Resolution 9 is not passed, future grants of equity securities under the Employee Incentive Plan will be included in the calculation of the Company's 15% placement capacity under Listing Rule 7.1. In that scenario the Board may need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, including providing an equivalent cash long term incentive subject to the risk of forfeiture, performance conditions and performance period.

5.3 **Applicable TSXV Listing Rules**

The Employee Incentive Plan provides that the aggregate number of Shares that may be reserved for issuance upon the exercise of awards under thereunder cannot exceed 10% of the number of Shares issued and outstanding from time to time. As a result, the number of awards available to be granted under the Employee Incentive Plan will automatically increase if the Company issues any additional Shares in the future. Section 5.2(c) of TSXV Policy 4.4 require that this type of "rolling" plan must be

approved by Shareholders every year in order for the Company to be able to continue to make grants thereunder.

If Shareholder approval is not obtained every year, all unallocated entitlements under the Employee Incentive Plan will be cancelled; however, all allocated awards, such as, for example, Options that have been granted but not yet exercised, will continue unaffected.

5.4 **Summary of the Employee Incentive Plan**

A summary of the Employee Incentive Plan is set out in Schedule 2 to this Explanatory Statement.

5.5 **Maximum number of securities proposed to be issued under Plan**

The maximum number of securities proposed to be issued under the Employee Incentive Plan within the three-year period from the date of the passing of Resolution 9 is 6,000,000 Equity Securities, representing 5.02% of the undiluted Shares in the Company as at 18 October 2022 (119,455,206 Shares). The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Employee Incentive Plan, simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b).

5.6 **Previous issues under the Employee Incentive Plan since last approval**

Since Shareholder approval of the Employee Incentive Plan at the Company's 2021 Annual General Meeting held on 14 December 2021, no Equity Securities have been issued to employees under the Plan.

5.7 **Directors' recommendation**

Noting that the Directors may have a personal interest in the outcome of this Resolution 9 by virtue of them being eligible to participate in the Employee Incentive Plan, the Directors recommend that Shareholders vote in favour of Resolution 9. This will give the Board the flexibility to issue securities to eligible participants under the Employee Incentive Plan without using the Company's issuing capacity under Listing Rule 7.1.

Resolution 10: Amendments to Constitution

5.8 **Background**

In 2021 the Company was admitted to the TSXV. As the Company is now listed on the TSXV it is also required to comply with the TSXV Policies.

It is a requirement of the TSXV that Company amend its Constitution to provide for an election of each Director at the annual general meeting each year.

In 2021 the Corporations Act was amended to permit a company to hold and conduct general meetings using virtual meeting technology in accordance with the requirements of the Corporations Act.

The Board considers it important that the Company continue to have the ability to hold virtual meetings to ensure it is able to conduct general meetings in circumstances where in person attendance is not possible, practical or appropriate. Accordingly, it is proposed that the Constitution be amended to ensure the Company is able to hold virtual general meetings in accordance with the provisions in the Corporations Act concerning the use of virtual meeting technology.

5.9 **Resolution**

Resolution 10 is a special resolution which will enable the Company to amend its Constitution to:

- (a) provide that while the Company is a TSX Listed Company, each Director must stand for election at the annual general meeting each year and any Director who is not re-elected at that meeting must retire from office as a Director at the conclusion of the meeting;

- (b) expressly permit the Company to hold and conduct general meetings using virtual meeting technology as permitted by section 249R(1(c) of the Corporations Act; and
- (c) to ensure that the provisions of the Constitution concerning the conduct of meetings using virtual meeting technology are consistent with the requirements of section 253Q of the Corporations Act.

The amendments augment the existing provisions in the Constitution for the use of technology at general meetings and generally reflect the requirements of the Corporations Act.

Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

5.10 **Proposed amendments**

The table in Schedule 3 sets out the proposed amendments to the Constitution to enable the Company to hold and conduct general meetings using virtual meeting technology in accordance with requirements of the Corporations Act.

5.11 **Corporations Act requirements**

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution (or a provision in its constitution), or may adopt a new constitution, by special resolution of its shareholders.

5.12 **Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 10 to give the Company the flexibility to hold and conduct general meetings using virtual meeting technology only.

6. Resolution 11 – Approval of Auditor

6.1 **Background**

As the Company is now listed on the TSXV it is required to comply with the TSXV Policies.

In accordance with sections 12.2 and 14.2(b) of TSXV Policy 3.1, the Company is required to place before the Shareholders for consideration at each annual general meeting, the election or re-election of the Company's auditor.

It is proposed that the Company's Auditor, RSM Australia Partners, be re-elected as the auditor of the Company and its controlled entities.

If Resolution 11 is approved, RSM Australia Partners will continue as the Company's Auditor.

If Resolution 11 is not passed, the Company would be required to seek the appointment of a new auditor.

6.2 **Directors' recommendation**

The Directors unanimously recommend that Shareholders approve Resolution 11 to ensure RSM Australia Partners continue their appointment as the Company's Auditor.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

AGM	An annual general meeting of Shareholders.
Annual General Meeting or Meeting	The annual general meeting of Shareholders, or any resumption thereof, convened by this Notice.
Annual Report	The annual report of the Company for the financial year ended 30 June 2022, including the annual financial report, the Directors' report and the Auditor's report.
Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Auditor	The auditor of the Company, being RSM Partners Australia at the date of this Notice.
A\$ or \$	Australian dollars.
Board	The board of Directors of the Company.
Chairperson	The chairperson of the Annual General Meeting.
Closely Related Party	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).
Company or Hot Chili	Hot Chili Limited (ACN 130 955 725).
Company Secretary	The company secretary of the Company at the time of the Meeting.
Constitution	The Constitution of the Company.
Convertible Note	Convertible notes previously issued by the Company on the terms set out in the Convertible Note Trust Deed dated 25 May 2017 and varied 19 June 2017 (released to ASX 21 June 2017), with a face value of \$100 each and convertible to Shares.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Employee Incentive Plan	The Employee Incentive Plan established by the Company and governed by the Employee Incentive Plan Rules, for which Shareholder approval is sought pursuant to Resolution 9.
Equity Security	Has the meaning given to that term in Listing Rule 19.12, being: (a) a share;

- (b) a unit;
- (c) a right to a share or unit or option;
- (d) an option over an issued or unissued security;
- (e) a convertible security;
- (f) any security that ASX decides to classify as an equity security;
- (g) but not a security that ASX decides to classify as a debt security.

Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Glossary	This glossary of terms.
Interest Shares	Shares issued as payment of interest pursuant to the terms of the Convertible Notes.
Key Management Personnel	Has the meaning given in section 9 of the Corporations Act.
Listing Rules	The listing rules of ASX, as amended from time to time.
Non-Related Parties	Persons who are not Related Parties of the Company.
Noteholder	A holder of a Convertible Note.
Notice or Notice of Meeting or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Proxy Form	The proxy form accompanying the Notice of Meeting.
Related Party	Has the meaning given to that term in the Listing Rules.
Remuneration Report	The remuneration report of the Company for the financial year ended 30 June 2022, appearing in the Annual Report.
Resolution	A resolution set out in the Notice.
Schedule	A section of this Explanatory Statement.
Section	A section of this Explanatory Statement.
Share	A fully paid ordinary share in the Company.
Shareholder	The holder of a Share.
TSX Listed Company	A company listed on the Toronto Stock Exchange or the TSXV.
TSXV	The TSX Venture Exchange.
TSXV Policies	The policies included in the TSXV Corporate Finance Manual.
VWAP	Has the meaning given to that term in the Listing Rules.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Summary of Terms of Convertible Notes

Unless otherwise defined, capitalised terms in this Schedule 2 have the meanings given to them in the Terms and Conditions of Convertible Notes, which were announced to ASX on 21 June 2017. The Convertible Notes have been redeemed and are no longer on issue.

Item	Summary
Face value	A\$100 per Note.
Conversion Price	A\$1.6665 per Share.
Maturity Date	22 June 2022.
Security	The Notes are not secured.
Interest	<p>8.0% calculated daily, compounded monthly and payable quarterly in arrears (Interest). Accrued Interest is cumulative and payable in cash or Shares at the election of the Company.</p> <p>If the Company elects to pay Interest by the issue of Shares, the number of Shares to be issued shall be calculated by dividing the amount of accrued Interest being paid by the VWAP for the five trading day period ending on the last day of the quarter for which Interest is due.</p>
Redemption	Notes are not be redeemable by the Company before their Maturity Date. On and after the Maturity Date, and provided the VWAP traded on ASX for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 300% of the Conversion Price, the Notes may be redeemed in whole or in part by the Company on not more than 60 days and not less than 30 days prior notice at A\$100 for each Note held, plus accrued and unpaid Interest.
Conversion	The principal amount and accrued and unpaid Interest evidenced by the Notes is convertible at the holder's option into Shares at any time prior to the earlier of the Maturity Date, and the date which is 5 business days immediately preceding the date specified for redemption by the Company at the Conversion Price, being a ratio of approximately approximately 600 Shares per Note (excluding Interest).
Conversion at maturity	On the Maturity Date, the principal amount and accrued and unpaid Interest evidenced by all outstanding Notes shall automatically be converted into the number of Shares obtained by dividing the Issue Price of the Notes plus accrued and unpaid Interest by 95% of the VWAP for the 10 trading day period ending on the day prior to the Maturity Date, or by the Conversion Price, whichever is lower.
Bonus issues and reconstructions	If there is a Bonus Issue, the Company must issue to each Noteholder, that number of Bonus Securities which the Noteholder would have been entitled to receive, by way of participation in the issue of Bonus Securities, if the Convertible Notes had been converted into Shares immediately before the issue of Bonus Securities.

Item	Summary
Ranking	The Notes at all times constitute unsecured debt obligations of the Company, which together with any accrued and unpaid Interest, ranks for payment in a Winding Up of the Company, behind any secured debt of the Company, equally with all present and future subordinated and unsecured debt obligations of the Company, and ahead of all Shares.
Negative Covenants	<p>For so long as any of the Notes remain outstanding, the Company must not and must procure that its Subsidiaries do not without the approval of a Noteholders Resolution:</p> <ul style="list-style-type: none"> (a) (new debt) incur any indebtedness for moneys borrowed or raised pursuant to any financial accommodation or agree to do so (including by entering into an indicative term sheet), except any Permitted New Debt; (b) (sale of assets) conduct or agree to conduct (including by entering into an indicative term sheet) any transaction or series of related transactions in which an entity in the Group sells significant assets or assets worth more than 10% of the Group's gross assets; (c) (dividends) declare or pay any dividends to Shareholders; (d) (capital reduction) other than in respect of the Notes, redeem, purchase, cancel, reduce, return capital on or otherwise acquire any share or other securities issued by a Shareholder of the Group for repayment or return of capital in a winding-up; or (e) (Security Interests) other than in the ordinary course of business: <ul style="list-style-type: none"> (i) create or permit to exist a Security Interest over any of its assets or attempt or agree to do so (including by entering into an indicative term sheet), except to secure any Permitted New Debt; or (ii) if the creation of a Security Interest cannot by law be restricted, create such a Security Interest over any of its assets without the holder of the Security Interest first entering into a deed of priority in form and substance acceptable to the Trustee.
Events of default	<p>The key events of default are:</p> <ul style="list-style-type: none"> (a) (non-issue of Shares) the Company fails to issue Shares on conversion in accordance within five Business Days after the date on which such issue is to be made; (b) (non-payment) the Company fails to pay any amount payable by it under the Note Terms within 10 Business Days after the date on which it is due and, where the sole reason for the default is a technical or administrative difficulty within the banking system being used to effect payment, such default is not remedied within five Business Days; (c) (breach of Negative Covenants) a member of the Group fails to comply with a Negative Covenant (as set out above) and such failure remains unremedied for a period of 10 Business Days; (d) (breach of other obligations) the Company fails to comply with any of its other obligations under the Note Terms or any Transaction Document and such failure remains unremedied for a period of 10 Business Days after the earlier of (A) the Company receiving notice from the Trustee in respect of the failure to comply and (B) the Company becoming aware of the failure to comply;

Item	Summary
	<p>(e) (insolvency) an Insolvency Event occurs in respect of a member of the Group;</p> <p>(f) (sale of business or main undertaking) there is a sale of the business or the main undertaking of the Company that would require approval of Shareholders in accordance with Listing Rule 11.2;</p> <p>(g) (delisting) a Delisting Event occurs in respect of the Company;</p> <p>(h) (cessation of business) a member of the Group ceases or suspends (or threatens to cease or suspend) the conduct of all of its business or a substantial part of its business;</p> <p>(i) (unlawfulness) at any time, it is unlawful for the Company to perform any of its payment obligations under the Notes, the Trust Deed or the Note Terms;</p> <p>(j) (Government Agency) all or substantially all of the assets of the Group is assumed or compulsory acquired by any Government Agency; or</p> <p>(k) (vitiation) all or any obligations of the Company or rights of the Noteholders or the Trustee under the Trust Deed or the Note Terms are terminated or are or become void, illegal, invalid, unenforceable or of limited force and effect.</p>
Transfer	The Notes are transferable.
Rights of Noteholders	<p>The Notes confer no rights on a Noteholder:</p> <p>(a) to vote at any meeting of Shareholders;</p> <p>(b) to subscribe for or participate in any new issue of securities by the Company; or</p> <p>(c) to otherwise participate in the profits or property of the Company, except as set out in the Note Terms or the Transaction Documents.</p>
Quotation	<p>The Notes are not quoted on ASX.</p> <p>The Company will apply for quotation of Shares issued on the conversion of Notes and on payment of Interest will be quoted on ASX.</p>

Schedule 2 - Summary of Employee Incentive Plan

Item	Summary
Eligibility	<p>The following persons of the Company are eligible to participate in the Employee Incentive Plan:</p> <ul style="list-style-type: none"> • an employee of the Company or any of its Associated Entities; • a director of the Company or any of its Associated Entities; • a consultant who provides services to the Company or any of its Associated Entities, <p>(Eligible Persons).</p>
Shares issuable under the Employee Incentive Plan	<p>The maximum number of Shares that may be issuable pursuant to Awards granted under the Employee Incentive Plan shall be that number equal to 10% of the Company's issued share capital from time to time.</p> <p>The maximum aggregate number of Shares that may be issuable pursuant to Awards granted or issued under the Plan to insiders, as a group, shall not exceed 10% of the total number of issued and outstanding Shares at any point in time, unless the Company has obtained approval of disinterested shareholders in accordance with the TSXV Policies.</p> <p>In addition, the number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements, if any:</p> <ul style="list-style-type: none"> • in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis; • to any one participant within a 12 month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis (unless otherwise approved by the disinterested Shareholders. <p>The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, if any, within a one-year period:</p> <ul style="list-style-type: none"> • to all insiders shall not exceed 10% of the total number of issued and outstanding Shares at any time during the relevant period (unless otherwise approved by the disinterested Shareholders); • to any one participant, shall not exceed 5% of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis (unless otherwise approved by the disinterested shareholders of the Company); • to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis; and • to all Eligible Persons who undertake investor relations activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the date of grant on a non-diluted basis, which Awards (which may only comprise Options) are to be vested in stages over at least a one-year period and no more than one-quarter (1/4) of such Awards may be vested in any 3 month period.
Awards	<p>Awards that may be issued to an Eligible Person under the Employee Incentive Plan include any share-based incentive award, including:</p> <ul style="list-style-type: none"> • Shares; • Options to subscribe for a Share, subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price;

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Item	Summary
	<ul style="list-style-type: none"> • service rights which provide entitlements to be issued with Shares, subject to the satisfaction of any conditions relating to service of the Eligible Person; and • performance rights which provide entitlements to be issued with Shares, subject to the satisfaction of any vesting conditions and/or performance conditions, <p>(Awards).</p> <p>Options, service rights and performance rights may convert to Shares on the satisfaction of any conditions, and are referred to in this summary as “Convertible Awards”.</p> <p>Awards may, among other things, be loan-funded or issued as tax-deferred incentives under Australian tax legislation.</p> <p>Awards granted to Eligible Participants who undertake Investor Relations Activities may only comprise Options and may not comprise Performance Rights.</p>
Administration	<p>Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Employee Incentive Plan and determine in accordance with its broad discretions:</p> <ul style="list-style-type: none"> • the persons to whom Awards will be offered under the Employee Incentive Plan; • the timing of making an offer to participate in the Employee Incentive Plan; • the number of Awards which may be offered; • the terms of issue of Awards (including vesting conditions, performance hurdles and exercise conditions if any); and • the periods during which Awards may be exercised.
Restriction conditions	<p>Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before any underlying Shares can be sold, transferred, or encumbered.</p>
Limits on Issue	<p>The Company must not make an offer of Awards for ‘monetary consideration’ (within the meaning of section 1100Q of the Corporations Act) Monetary Offers for Awards that are subject to the ESS Division to the extent doing so would contravene the ‘issue cap’ under section 1100W of the Corporations Act.</p> <p>The following will be excluded from the calculation of the ‘issue cap’ unless and to the extent they are required by applicable law to be included in such calculation:</p> <ul style="list-style-type: none"> • Awards which are issued by the Company in circumstances where the Company does not rely upon Division 1A of Part 7.12 of the Corporations Act (ESS Division) or a similar exemption or modification to the Corporations Act granted by ASIC; and • Awards offered in the following circumstances: <ul style="list-style-type: none"> ○ an Offer made to a person situated outside of Australia at the time of receipt of the Offer; ○ an Offer that did not need disclosure to the Eligible Person because of section 708 or section 1012D of the Corporations Act; or ○ an Offer made pursuant to a ‘disclosure document’ (as defined in the Corporations Act). <p>Awards may not be issued to any person to whom the issue of those Awards would require the approval of Shareholders under the Corporations Act, the Listing Rules or other applicable law unless:</p>

Item	Summary
	<ul style="list-style-type: none"> approval is given by Shareholders in general meeting in accordance with the applicable legal requirements; or the issue of those Awards falls within a relevant exception to the applicable law.
Offer and Acceptance of Awards	<p>Following determination that an Eligible Person may participate in the Employee Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify, in clear, concise and effective manner:</p> <ul style="list-style-type: none"> the date of the offer, and the final date by which the offer must be accepted; the name and address of the Eligible Person to whom the offer is made; the type of awards being offered; the maximum number of awards being offered; in the case of Convertible Awards, any exercise price (if any) and the exercise period; the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the awards being offered; the term and expiry date or end date (if any); the summary of any rights attaching to the awards; agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law; and any other matters required to be specified in the Offer by the Corporations Act, including the ESS Division.
Vesting of Awards	<p>The Board may, at its absolute discretion, determine that Awards issued will be subject to vesting conditions (e.g. performance milestones) and in those circumstances, Awards cannot vest in the Eligible Person until such time as those vesting conditions have been satisfied or waived.</p> <p>Notwithstanding the above, any Award other than an Option may not vest before one year from the date of grant of the Award.</p> <p>If the vesting conditions are not satisfied or waived, the Awards will lapse or be cancelled.</p>
Expiry and Termination	<p>Expiry date for any Award issued under the Plan shall not be more than 10 years after the date on which it is granted. Notwithstanding the above:</p> <ul style="list-style-type: none"> if a participant ceases to be an Eligible Person due to his or her death, or, in the case of a participant that is a company, the death of the person who provides services to the company, the Award then held by the participant shall be exercisable at any time up to but not after the earlier of (i) 365 days after the date of death; and (ii) the expiry date of the Award. any Awards granted to a participant who is an Eligible Person or a director, employee or consultant of the Company shall be exercisable at any time up to but not after the earlier of (i) 365 days following the date the participant ceases to be in such role; and (ii) the expiry date of the Award.
Plan Shares	<p>Any share received pursuant to an award under the Employee Incentive Plan by an Eligible Person (Plan Share) will:</p> <ul style="list-style-type: none"> be credited as fully paid;

Item	Summary
	<ul style="list-style-type: none"> • rank equally in all respects with shares already on issue (except for entitlements which had a record date before the date of issue or transfer of the Plan Share); and • be subject to any restrictions imposed under the Employee Incentive Plan. <p>The Company will apply for quotation of Plan Shares as soon as practicable following the issue of those Plan Shares.</p>
Dividends and Voting Rights	<p>Plan Shares</p> <p>An Eligible Person who holds awards which are Plan Shares is entitled to receive:</p> <ul style="list-style-type: none"> • a notice of meeting of shareholders and may exercise any voting rights attaching to those Plan Shares; and • income deriving from those Plan Shares, including dividends and distributions declared or paid on those Plan Shares. <p>Convertible Awards</p> <p>Holders of Convertible Awards do not have any of the following rights unless and until Plan Shares are allocated or acquired on vesting and exercise:</p> <ul style="list-style-type: none"> • the right to receive notice of, attend and vote at general meetings of the Company; • the right to dividends by the Company; • the right to a return of capital by the Company; or • the right to participate in the surplus assets of the Company on winding-up.
Awards not to be quoted	<p>The Awards will not be quoted on the ASX. However, application will be made to ASX for official quotation of Shares issued upon the exercise of Awards, if the Shares are listed on ASX at that time.</p>
Shares issued on exercise of Awards	<p>Subject to any applicable vesting conditions, performance hurdles and exercise conditions each Convertible Awards entitles the holder to subscribe for and be issued with one Share.</p> <p>Shares issued pursuant to the vesting or exercise of Convertible Awards will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.</p>
Lapse of Awards	<p>Unless the Directors in their absolute discretion determine otherwise, Awards will automatically lapse and be forfeited if, prior to the satisfaction of an exercise condition or vesting condition:</p> <ul style="list-style-type: none"> • the holder resigns employment or terminates engagement with the Company; • the holder is dismissed from employment or engagement with the Company for: <ul style="list-style-type: none"> ○ material breach of contract or negligence; or ○ conduct justifying termination without notice; ○ the holder ceases employment or engagement with the Company and breaches any post-termination restraint; ○ the holder is ineligible to hold his or her office pursuant to the Corporations Act; or ○ any performance milestones applicable to the Awards are not satisfied – if a portion are satisfied, then a proportionate number of Awards may continue at the Board’s discretion.

Item	Summary
	<p>Awards will not lapse and be forfeited if the holder ceases employment or engagement with the Company:</p> <ul style="list-style-type: none"> • due to: • death; • retirement; or • redundancy; or • where the Board determines that the Awards continue.
Method for calculating exercise prices	<p>The exercise price of an Option is the price determined by the board, in its absolute discretion, prior to or on grant of the Options. Notwithstanding the foregoing, if the Company is listed on the TSXV, the exercise price in respect of any Option shall be determined and approved by the board when such Option is granted, but shall not be less than the market price of a Share as of the date of the grant, less any discount permitted by the TSXV. A minimum exercise price cannot be established unless the Options are allocated to particular participants.</p>
Maximum term of exercisable Awards	<p>An Award that must be exercised in order for the participant to be issued a Share which has not been exercised will expire on the date that is 10 years after the Award was granted.</p>
Restrictions on disposal	<p>An Award holder is not able to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Awards, or agree to do any of those things, without the prior consent of the Board or unless such disposal is required by law.</p>
Participation rights of Award holders	<p>Holders of Convertible Awards will only be permitted to participate in an issue of new Shares by the Company if they exercise their Convertible Award before the record date for the relevant issue. The Company must ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue of new Shares is announced. This will give Award holders the opportunity to exercise their Convertible Awards prior to the date for determining entitlements to participate in any such issue.</p>
Adjustment of Awards	<p>If the Company makes a pro rata bonus issue, and a Convertible Award is not exercised before the record date for that bonus issue, then on exercise of the Convertible Award, the holder is entitled to receive the number of bonus shares which would have been issued if the Convertible Award had been exercised before the record date.</p> <p>In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Awards to which each Award holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Awards which are not conferred on Shareholders.</p>
Takeovers	<p>In the event of a takeover bid, certain capital reorganisations, or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise of an Award may lapse so that Award holders are able to participate in the relevant transaction.</p>
Tax deferral	<p>Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on Awards offered under the Employee Incentive Plan (subject to the conditions in that Act), may apply to Awards granted under the Employee Incentive Plan.</p>

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Item	Summary
Amending the Employee Incentive Plan	Subject to and in accordance with the Listing Rules and TSXV Policies, the Board (without the necessity of obtaining prior or subsequent consent of Shareholders) may from time to time amend all or any provisions of the Employee Incentive Plan.

Schedule 3 – Amendments to Constitution

The table below sets out the proposed amendments to the Constitution to enable the Company to hold and conduct general meetings using virtual meeting technology in accordance with requirements of the Corporations Act.

Constitution clause reference	Amendment
Clause 2.1	<p>The following new definitions are added to clause 2.1:</p> <p><i>“TSX means the Toronto Stock Exchange or TSX Venture Exchange.”</i></p> <p><i>“TSX Listed Company means a company that is admitted to the TSX.”</i></p> <p><i>“Virtual Meeting Technology means any technology that allows a person to participate in a meeting without being physically present at the meeting.”</i></p>
Clause 6.1(b)(ii)	<p>Clause 6.2(b)(ii) is wholly replaced with the following:</p> <p><i>“(ii) if the meeting is to be held using Virtual Meeting Technology in accordance with clause 6.6, the technology that will be used to facilitate the meeting and sufficient information to allow the members to participate in the meeting by means of the Virtual Meeting Technology;</i></p>
Clause 6.6	<p>Clause 6.6 is wholly replaced with the following:</p> <p>“6.6 Use of technology at general meetings</p> <p>(a) <i>A general meeting may be held at two or more venues using Virtual Meeting Technology or using Virtual Meeting Technology only.</i></p> <p>(b) <i>Subject to the Corporations Act and this Constitution, a general meeting may be held using one or more technologies that give the members participating a reasonable opportunity to participate in the meeting without being physically present.</i></p> <p>(c) <i>Where a general meeting is held using any form of technology in accordance with clause 6.6(b):</i></p> <p style="padding-left: 20px;">(i) <i>the technology used must be reasonable and allow the members who are entitled to attend the meeting, and do attend the meeting using that Virtual Meeting Technology, as a whole, to exercise their right to ask questions and make comments both verbally and in writing;</i></p> <p style="padding-left: 20px;">(ii) <i>a member participating in the meeting is taken for all purposes, including the quorum requirements in clause 6.4, to be present in person at the meeting;</i></p> <p style="padding-left: 20px;">(iii) <i>if a person is entitled to attend the meeting, or to vote at the meeting, by proxy, the chair of the meeting must treat a duly appointed proxy in the same way as the person would be entitled or required to be treated if they attended the meeting in person;</i></p> <p style="padding-left: 20px;">(iv) <i>the provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes, to general meetings held using that technology; and</i></p> <p style="padding-left: 20px;">(v) <i>the meeting is to be taken to be held at:</i></p> <p style="padding-left: 40px;">(A) <i>if the meeting is held at more than one physical venue (whether or not it is also held using Virtual Meeting Technology), the main physical venue of the meeting as set out in the notice of the meeting; or</i></p> <p style="padding-left: 40px;">(B) <i>if the meeting is held using Virtual Meeting Technology only, the registered office of the Company.”</i></p> <p>(d) <i>If a separate meeting place is linked to the main place of a general</i></p>

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	<p><i>meeting by Virtual Meeting Technology which, by itself or in conjunction with other arrangements:</i></p> <ul style="list-style-type: none"> <i>(i) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;</i> <i>(ii) enables the chair to be aware of proceedings in the other place; and</i> <i>(iii) enables the members in the separate meeting place to vote on a show of hands or on a poll,</i> <p><i>a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if they were present at the main place.</i></p> <ul style="list-style-type: none"> <i>(e) If any technical difficulty occurs, whether before or during the general meeting, that results in one or more of the matters in clause 6.6(d) no longer being satisfied, the chair may, subject to the Corporations Act and clause 6.4:</i> <ul style="list-style-type: none"> <i>(i) allow the meeting to continue; or</i> <i>(ii) adjourn the meeting either for a reasonable period of time as may be required to fix the technology or to such other date, time and location as the chair of the meeting considers appropriate.</i> <i>(f) To avoid doubt, where the chair has allowed the general meeting to continue in accordance with clause 6.6(e)(i), any resolution passed at that meeting is valid.</i> <i>(g) The chair of a meeting of members may delegate any power conferred by this clause 6.6 to any person."</i>
<p>Clause 6.7(j)</p>	<p>Clause 6.7(j) is amended by adding the following sentence at the end:</p> <p><i>"A notice of a meeting resumed from an adjourned meeting and a notice postponing a meeting of Members must set out the place, date and time for the revised meeting (and if the revised meeting is to use Virtual Meeting Technology, the technology that will be used to facilitate the meeting and sufficient information to allow the members to participate in the meeting by means of the Virtual Meeting Technology)."</i></p>
<p>Clause 7.3</p>	<p>Clause 7.3 is amended by adding the following at the end:</p> <ul style="list-style-type: none"> <i>"(e) While the Company is a TSX Listed Company each director must stand for election at the annual general meeting each year and any director who is not re-elected at that meeting must retire from office as a director at the conclusion of the meeting."</i>

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HCHRM

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Need assistance?



Phone:
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+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Monday, 28 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Hot Chili Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Hot Chili Limited to be held at First Floor, 768 Canning Highway, Applecross, WA 6153 on Wednesday, 30 November 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Re-election of Director – Mr Christian Easterday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Dr Nicole Adshead-Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Ratification of issue of Interest Shares to Non-Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Roberto de Andraca Adriasola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Re-approval of Employee Incentive Plan and issue of Equity Securities under Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr George Randall Nickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Director – Dr Allan Trench	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Re-election of Director – Mr Mark Jamieson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3

Sole Director & Sole Company Secretary Director Director/Company Secretary / / Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

