

Board ESG Committee Charter

Pepper Money Limited (ACN 094 317 665)

Adopted on 20 June 2024

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1. Role of the Committee and its authority

- (a) The Environmental, Social and Governance (**ESG**) Committee (**Committee**) assists the board (**Board**) of Pepper Money Limited (ACN 094 317 665) (**the Company**) in fulfilling its responsibilities by providing oversight of the Company's initiatives in line with existing and emerging environmental, social and governance matters and the meeting of mandatory, climate-related financial reporting requirements.

In doing so, the Committee has the responsibility for oversight, review and approval of the Company's ESG approach, objectives and performance, including ESG targets.

- (b) The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and people of the Company and the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.
- (c) The Committee is a committee of the Board established in accordance with the Company's constitution (**Constitution**) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

2. Membership

- (a) The Committee should to the extent practicable given the size and composition of the Board from time to time, comprise of:
- (i) at least three members;
 - (ii) non-executive directors; and
 - (iii) a majority of directors who are independent (and it must satisfy this description if required by statute or regulation).
- (b) All Committee members should be financially literate (i.e. able to read and understand financial statements).
- (c) The Board will appoint the chair of the Committee (**Committee Chair**). The Committee Chair should be an appropriately qualified independent non-executive director who does not chair the Board (and must satisfy this description if required by statute or regulation).
- (d) All Committee members should have a reasonable understanding of the Company's business and the industry in which it participates.
- (e) Committee members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment for so long as the Committee will meet the relevant criteria established in paragraph (a) above.
- (f) The appointment and removal of Committee members is the responsibility of the Board.
- (g) Subject to remaining a director, a Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair.

- (h) If a Committee member ceases to be a director of the Board, their appointment as a member of the Committee is automatically terminated with immediate effect.
- (i) The company secretary of the Company is secretary to the Committee.

3. Meetings

- (a) The Committee will meet at least three times annually or as frequently as is required to undertake its role effectively.
- (b) The Committee may meet in private with the Company's Chief Risk Officer, Chief Financial Officer, or other executive staff member.
- (c) Any Committee member may, and the company secretary must upon request from any member, convene a meeting of the Committee.
- (d) All non-executive directors will be invited to all meetings of the Committee. The Committee may invite any executive director, executive, other staff member or external adviser or consultant to attend all or part of a meeting of the Committee.
- (e) The proceedings of all meetings will be minuted by the company secretary. All minutes of the Committee are available for inspection by any director.
- (f) A quorum for any meeting will be at least two Committee members.

4. Duties and responsibilities

The Committee's key responsibilities and functions are to assist the Board in discharging its responsibilities:

- (a) providing recommendations to the Board in respect of the Company's ESG and broader sustainability related strategies and policies;
- (b) overseeing, reviewing and providing feedback to management on the Company's ESG reporting, such as mandatory climate-related financial reporting;
- (c) reporting to the Board on the Company's performance with respect to ESG, including by having regard to recognisable external targets and the impact on stakeholders (such as employees, third parties, communities) and the Company's reputation;
- (d) reviewing and recommending to the Board the Company's public ESG targets and position statements (including with respect to climate);
- (e) monitoring management's implementation of the Company's strategy as it relates to ESG, including under the Company's internal audit plan;
- (f) reviewing and reporting to the Board on ESG related trends and emerging areas of interest which may have significant implications for the Company;
- (g) responding to specific questions and issues referred by the Board, other Board committees or management; and
- (h) monitoring compliance with applicable sustainability and ESG-related laws and regulations and any other external commitments, made on behalf of the Company.

5. Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities. The Committee may seek professional advice from appropriate external advisers, at the Company's cost. The Committee may meet with these external advisers without the Company's management being present.
- (b) The Committee has access to the Company's management, to seek explanations and information from them.

6. Reviews and changes to this Charter

- (a) The Committee will review this Charter annually or as often as it considers necessary.
- (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

7. Committee performance

- (a) The Board will, at least once in each year, review the membership of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.
- (b) The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.