



## Diversity policy

XPON Technologies Limited ACN 635 810 258

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# 1. Definitions and Interpretation

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## 1.1 Definitions

In this policy:

Term	Definition
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of Directors.
Company	means XPON Technologies Limited ACN 635 810 258
Group	means XPON Technologies Limited and any subsidiary or related body corporate.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Diversity	has the meaning given to that term in paragraph 3.1.
Nomination & Remuneration Committee	means the nomination & remuneration committee established by the Board.

## 1.2 Interpretation

Terms not defined in this policy which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

# 2. Introduction

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## 2.1 Commitment to diversity

XPON Technologies Limited ACN 635 810 258 (**Company**) is committed to:

1. complying with the diversity recommendations published by ASX by establishing measurable objectives for achieving gender diversity;
2. promoting Diversity among the Board, senior executives, consultants and employees generally throughout the Group; and
3. keeping shareholders informed of the Company's progress towards implementing and achieving its Diversity objectives.

## 2.2 Purpose

The purpose of this policy is to outline the Company's commitment to fostering a corporate culture that embraces Diversity and, in particular, focuses on the composition of its Board and senior management. The policy also provides a process for the Board to decide measurable objectives and procedures which the Company will implement and report against to achieve its Diversity goals.

# 3. Diversity

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## 3.1 What is diversity?

Diversity includes, but is not limited to, diversity of gender, age, ethnicity, marital or family status, sexual orientation, gender identity, socio-economic background and cultural background.

## 3.2 Corporate culture

1. The Company aims to actively promote a corporate culture that supports Diversity in the workplace, in the composition of its Board and senior management and throughout the Group.
2. A corporate culture that embraces Diversity encourages and facilitates opportunities for the employment of women and people from different backgrounds, provides skills and career development initiatives, increases workforce participation and creates an inclusive environment where employees feel they are valued. In building a corporate culture where Diversity is encouraged, the Company also recognises that employees at all levels have responsibilities outside of the workplace.
3. The Company acknowledges the known corporate benefits that flow from advancing employee and Board Diversity, in particular gender Diversity, including identification and rectification of gaps in the skills and experience of employees, enhanced employee retention, greater innovation and maximisation of available talent to achieve corporate goals and better financial performance.
4. By focusing on Diversity, the Company aims to promote an environment that:
  - a. is conducive to the appointment of suitably qualified employees, senior management and Board candidates so that there is appropriate Diversity to maximise the corporate goals of the Group; and
  - b. represents the Company's commitment to inclusion at all levels of the Group, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

### 3.3 Diversity commitments

1. In order to foster a corporate environment where employee and Board Diversity are achievable and maintainable, the Company will implement the following Diversity commitments:
  - a. the Board will review and decide on, as frequently as required, a Diversity profile that meets the particular needs of the Group, including identifying the skill, experience and expertise requirements set for the Board and senior management necessary to effectively oversee its business and achieve its corporate goals;
  - b. through the Nomination & Remuneration Committee, the Board will ensure that the Diversity profile is taken into account:
    - i. in the selection and appointment of qualified employees, senior management and Board candidates;
    - ii. to expand the pool of qualified candidates to select from, including through the use of a professional intermediary to assess candidates; and
    - iii. to promote appointments under the Diversity profile, and as deemed appropriate; and
  - c. the Board will identify and consider programs and initiatives that:
    - i. develop a broader pool of skilled and experienced Board and senior management candidates, in particular women, including initiatives focused on skills development, such as executive mentoring programs or more targeted practices for career advancement including those that develop skills and experience for senior management or Board positions;
    - ii. recognise that employees (both male and female) at all levels may have domestic responsibilities and adopt flexible work practices that will assist them to meet those responsibilities;
    - iii. enhance employee retention, in particular that of women from middle management, including programs that foster career development and personal skills and, if possible, initiatives that address competing demands between work and other obligations;
    - iv. minimise career disruption when employees take time out of the workplace to meet other obligations and attempt to re-enter the workforce; and
    - v. provide opportunities for employees on extended parental leave to maintain their connection with the Company, for example, by offering them the option (without any obligation) to receive all staff communications and to attend work functions and training programs, and
    - vi. if reasonable, possible and in line with the needs and objectives identified by the Diversity profile, facilitate or permit employees to access these programs or initiatives.
2. The Company recognises that all forms of Diversity are important and will promote and facilitate a range of Diversity initiatives throughout the Group beyond simply gender Diversity.
3. The Company will not tolerate discrimination, harassment, vilification and victimisation in its workplace or otherwise.

### 3.4 Implementing Diversity commitments

The Board will ensure that appropriate procedures and measures are introduced and responsibilities delegated to the Nomination & Remuneration Committee to ensure that the Company's Diversity commitments are implemented appropriately.

## 4. Measurable objectives

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### 4.1 Setting measurable objectives

1. The Board, in consultation with the Nomination & Remuneration Committee, will set measurable objectives and numerical targets for achieving Diversity, in particular gender Diversity, under this policy and the Diversity profile set by the Board from time to time and will review the effectiveness and relevance of these measurable objectives on an annual basis.
2. The measurable objectives will identify ways and, if applicable, specify benchmarks against which the achievement of Diversity in the workplace is measured, in order for the Board to assess and report annually on the Company's progress towards achieving its Diversity goals.

### 4.2 How will the measurable objectives be decided?

To set meaningful objectives, the Board (in consultation with the Nomination & Remuneration Committee) will assess its current Diversity levels and identify any gaps. Measurable objectives will be tailored to improve Diversity in areas where most improvement is needed.

### 4.3 Types of measurable objectives

The Company acknowledges that there are a number of different types of measurable objectives which may be implemented to meet its Diversity goals, including:

1. procedural and structural objectives – for example, implementing internal review and reporting procedures or ensuring that candidates are interviewed by a diverse selection of people or by an interview panel;
2. Diversity targets – setting numerical targets and implementing timeframes to achieve these targets for:
  - a. increasing the number of women throughout the entire Group; and
  - b. increasing the proportion of women within senior management and key operational positions;
3. initiatives and programs – for example, identifying appropriate initiatives and programs and determining how the initiative will operate, who will be responsible for implementing it and setting a timetable for its introduction; and
4. succession planning – including gender diversity as a relevant consideration in the Company's succession planning.

### 4.4 Periodic review

As part of the commitment to achieving and maintaining effective Diversity policies, the Board and the Nomination & Remuneration Committee will perform regular reviews of the changes in Diversity throughout the organisation to ensure that the policy is operating effectively and check whether any changes are required.

### 4.5 Measurable objectives as key performance indicators

The Board, in consultation with the Nomination & Remuneration Committee, will consider the extent to which the achievement of these measurable objectives will be tied to key performance indicators for the Board, the chief executive officer and other senior management.

## 5. Annual disclosure to shareholders

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### 5.1 Purpose of reporting

1. The Company acknowledges that reporting to shareholders on its Diversity profile and Diversity objectives facilitates greater transparency and accountability on Diversity matters and that this reporting and transparency has been endorsed by the Board.
2. It is anticipated that shareholders will have greater confidence in the Company and the Board if they are fully informed of the Diversity policies and the measurable objectives which have been implemented to facilitate the performance of the Group.

## 5.2 What will be reported?

1. As part of its annual reporting requirements to shareholders, the Company will disclose the measurable objectives set by the Board for achieving Diversity under the Diversity profile and will report on its progress against those objectives. A copy of the measurable objectives may also be published on the Company's website from time to time.
2. A component of the Company's disclosure on Diversity in its annual report will also include information about:
  - a. the proportion of female employees across the entire Group;
  - b. the number of women in senior management positions;
  - c. the number of women on the Board; and
  - d. the Company's progress towards achieving its measurable objectives regarding Diversity based on these numbers.
3. The Company may also disclose any emerging themes or actions taken as a result of:
  - a. bench-marking the Company's position on Diversity against the Company's peers; or
  - b. undertaking a gender pay equity audit to gain a stronger insight into the effectiveness of the Company's gender Diversity programs.
4. The Board will work out the most appropriate method to present this information to ensure that it is accurate and does not falsely represent the participation of women and men within the Group both in terms of the number of members and types of roles, and in terms of part-time and casual compared with full-time equivalent categories of employees.

## 5.3 Board selection process

The Company is also committed to achieving greater transparency of the Board candidate selection and nomination process and may include in its annual report information about the mix of skills and Diversity which the Board is looking to achieve in membership of the Board as set out in the Nomination & Remuneration Committee charter.

## 5.4 Responsibility

The Board may delegate these reporting obligations to the Nomination & Remuneration Committee but the Board retains ultimate responsibility for ensuring that these reporting benchmarks are met.

# 6. Nomination & Remuneration Committee

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## 6.1 Role of the Nomination & Remuneration Committee

1. The Nomination & Remuneration Committee will be responsible for implementing the Company's Diversity policy, profile and measurable objectives and for ensuring compliance with this policy. The Nomination & Remuneration Committee will report to the Board as necessary to facilitate compliance.
2. The Nomination & Remuneration Committee will also review and report to the Board, at least annually:
  - a. the proportion of female employees in the Group, women in senior executive positions and women on the Board; and
  - b. the proportion of women and men in the workforce at all levels of the Group, and their relative levels of remuneration.
3. As part of its core role and responsibility to formulate a Company remuneration policy, the Nomination & Remuneration Committee will review and make recommendations to the Board on remuneration by gender and, at the direction of the Board, implement those recommendations within the Group.

## **6.2 Internal review**

An internal review will be undertaken by the Nomination & Remuneration Committee as required to ensure that it remains relevant and appropriate to the Group, to consider the effectiveness of this policy and recommend changes to correct any identified deficiencies.

## **7. Miscellaneous**

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### **7.1 Review of policy**

1. External reviews of this policy may be undertaken at the request of the Board.
2. A copy of this policy (or a summary of it) will be made available on the Company's website and to ASX if required.

### **7.2 Endorsement**

1. The Company is committed to this policy and its implementation and to ensuring that Diversity is achieved throughout the Group.
2. This policy was adopted by the Board on [#insert date].