



Nomination & Remuneration (NR) Committee Charter

XPON Technologies Group Limited ACN 635 810 258

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1. Standing rules

The standing rules for Committees apply to the NR Committee subject to this charter.

2. Composition

The board of directors of the Company (Board) will strive to adhere to the following composition requirements for the Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director who will be appointed by the Board.
- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

3. Purpose of Nomination & Remuneration Committee

The NR Committee's role is to:

- (a) assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and of the CEO and CFO and, to the extent delegated to it by the Board, other Senior Executives; and
- (b) advise on remuneration and issues relevant to remuneration policies and practices, including for Senior Executives and non executive Directors.

4. Scope of responsibility

The NR Committee is responsible for:

- (a) developing suitable criteria (about experience, expertise, skills, qualifications, contacts or other qualities) for Board candidates;
- (b) identifying individuals who, because of their experience, expertise, skills, qualifications, contacts or other qualities, are suitable candidates for appointment to the Board or to any relevant management position;



- (c) reviewing processes for succession planning for the Board, CEO and other Senior Executives;
- (d) recommending individuals for consideration as Board candidates by the Board;
- (e) recommending to the Chairman procedures for the proper supervision of the Board and management;
- (f) ensuring appropriate induction and continuing professional development programs are implemented for Directors;
- (g) ensuring that incentives for executive directors and other senior executives encourage them to pursue the growth and success of the company without rewarding conduct that is contrary to the Company's values or risk appetite;
- (h) ensure that the incentives for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the board;
- (i) ensuring that the performance of the Chairperson, each Director, and of all members of senior management, is reviewed and assessed each year in accordance with procedures adopted by the Board;
- (j) periodically assessing the skill set required to discharge competently the Board's duties, having regard to the strategic direction of the Company and assessing the skills currently represented on the Board;
- (k) ensuring that any Diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates;
- (l) reporting to the Board as necessary to facilitate compliance with the Diversity Policy;
- (m) reporting to the Board annually on the Diversity profile of employees of the Company, including the relative proportion of men and women in the workforce at all levels of the Company and the extent to which the Company is progressing towards achieving its measurable objectives set out in the Company's Diversity Policy;
- (n) at the direction of the Board, implementing recommendations on remuneration by gender (and other Diversity benchmarks), as part of the NR Committee's administration of the Diversity Policy;
- (o) reviewing and evaluating market practices and trends for remuneration relevant to the Group;
- (p) reviewing and making recommendations to the Board for the Group's remuneration policies and framework, including the allocation of the directors' fee pool to non-executive Directors;
- (q) reviewing and making recommendations to the Board for the Group's remuneration practices, including for equity-based remuneration plans and superannuation arrangements;
- (r) overseeing the performance of the CEO and CFO and other Senior Executives and non executive Directors;
- (s) reviewing and making recommendations to the Board for the remuneration packages of the CEO and CFO and other Senior Executives and of non executive Directors and ensuring that the packages



appropriately reflect the different roles and responsibilities of non-executive Directors compared with Senior Executives;

(t) preparing any report for the Board that may be required under applicable legal or regulatory requirements about remuneration matters;

(u) reviewing the Group's reporting and disclosure practices for the remuneration of Directors and Senior Executives;

(v) reviewing, making recommendations to the Board on remuneration by gender (and other Diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Diversity Policy; and

(w) reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Group, and their relative levels of remuneration.

5. Remuneration

5.1. For the purposes of this charter, 'remuneration' includes not only monetary payments (salary and wages) but all other monetary and non monetary compensation for services and benefits including:

(a) fringe benefits;

(b) directors' and officers' and other insurance arrangements;

(c) retirement benefits;

(d) superannuation; and

(e) equity participation, and other incentive programs.

6. Vacancies and new appointments

6.1. When a Board vacancy arises for any reason or if the Board decides a new Director is required with particular skills, the NR Committee must prepare a list of candidates considering:

(a) what may be appropriate for XPON and the Group;

(b) the skills, expertise and experience required;

(c) the mix of those skills, expertise and experience with those of the existing Directors; and

(d) the perceived compatibility of the candidates with the Group and with the existing Directors.

6.2. Potential candidates to be appointed as Directors should then be considered by the Board, with advice from an external consultant if the Board considers this to be appropriate. Persons appointed in this manner continue in office only until the next AGM and are then eligible for election.



6.3. Ensure that, on appointment, all directors receive a formal letter of appointment, setting out the time commitment and responsibility envisaged in the appointment, including any responsibilities with respect to Board committees.

7. Powers

The NR Committee has an advisory role to assist the Board with the matters set out in section 3 and 5. The NR Committee cannot commit the Board to any recommendation or decision made by it but may consult independent external experts to perform its function, and charge the costs to XPON or another Group company.

8. Proceedings

8.1. The NR Committee will meet as often as it considers necessary.

8.2. Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the NR Committee.

8.3. If an executive Director is involved in deliberations of the NR Committee, they must not be involved in deciding their own remuneration and must have regard to any indirect conflict in setting the remuneration of other Senior Executives.

8.4. The quorum for a NR Committee meeting is two NR members.

8.5. The NR Committee must disclose at the end of each reporting period the number of times that it met during the period and the individual attendances of its members at those meetings.

9. Minutes

9.1. The NR Committee must keep minutes of its meetings.

10. Review and changes to this Charter

10.1. The NR Committee will review this charter annually or as often as it considers necessary.

10.2. The Board may change this charter from time to time by resolution.

11. Location

11.1 This Charter can be located on the Company's website.



12. Approved and adopted

This charter was reviewed and adopted by the Board on 22 September 2022.