

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

XPON TECHNOLOGIES GROUP LIMITED
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ABN/ARBN

37 635 810 258
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Financial year ended:

30 June 2022
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://xpon.ai/investors/>

The Corporate Governance Statement is accurate and up to date as at 10 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 23 August 2022

Name of authorised officer  
authorising lodgement: Mark Licciardo, Company Secretary



<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a></p> <p>and we have disclosed the information referred to in paragraph (c) at: The Corporate Governance Statement</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in the Board charter at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: The Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>The Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>The Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> If the entity complies with paragraph (a): and we have disclosed a copy of the charter of the committee at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at: The Corporate Governance Statement and the 2022 Annual Report, Directors Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: The Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: The Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: The Corporate Governance Statement and the length of service of each director at: The Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: The Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: Included in the Corporate Governance Charter found at <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p><i>If the entity complies with paragraph (a):</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>The Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://xpon.ai/">https://xpon.ai/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: The Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>If the entity complies with paragraph (a):</i> and we have disclosed a copy of the charter of the committee at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at: The 2022 Annual Report, Directors Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: The Corporate Governance Charter</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p><i>If the entity complies with paragraph (b):</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: The Corporate Governance Charter</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: The Corporate Governance Charter	<input type="checkbox"/> set out in our Corporate Governance Statement
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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>If the entity complies with paragraph (a):</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://xpon.ai/investors-1/corporate-governance/">https://xpon.ai/investors-1/corporate-governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) at: The 2022 Annual Report, Directors Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: the 2022 Annual Report, Remuneration Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: The 2022 Annual Report, Remuneration Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	<input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

**XPON TECHNOLOGIES GROUP  
LIMITED**

**Corporate Governance Statement**

An entity listed on the exchange operated by ASX Limited (the **ASX**), is required to provide a statement disclosing the extent to which it follows the recommendations set by the ASX Corporate Governance Council (the **Recommendations**). The Recommendations are set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition)*.

Responsibility for XPON Technologies Group Limited's (**XPON** or **the Company**) corporate governance rests with its board of directors (the **Board**). This statement describes XPON's position in relation to each of the Recommendations as at the period ended 30 June 2022 and up to the date of the Directors' Report as contained in the 2022 Annual Report.

ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Principle 1: Lay solid foundations for management and oversight</b></p> <p>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</p>		
<p><b>Recommendation 1.1:</b> A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The Board is responsible for overseeing the management of, providing strategic direction to, and the overall corporate governance of XPON.</p> <p>The role of the Board and delegation to management have been formalised in the Board Charter contained within the Corporate Governance Charter (<b>Charter</b>), which outlines the main corporate governance practices in place for XPON. The Board and each Director are committed to the Charter.</p> <p>The conduct of the Board is also governed by XPON's constitution, and where there is inconsistency with that document, the constitution prevails to the extent of the inconsistency.</p> <p>The Charter will be reviewed and amended on an annual basis and the Board regularly reviews the divisions and functions between the Board and management to ensure that it continues to be appropriate to the needs of the Company.</p> <p>The Corporate Governance Charter is available on XPON's website <a href="http://www.xpon.ai">www.xpon.ai</a>.</p>
<p><b>Recommendation 1.2:</b> A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward to security holders as a candidate for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>In accordance with the Board Charter, the Company has appropriate procedures in place to ensure that appropriate checks are undertaken, including checks as to the person's character, experience, education, criminal record, bankruptcy history, solvency and banned director searches in relation to the appointment of nominated directors and senior executives. The Board reviews the candidates recommended through the Nomination and Remuneration Committee.</p> <p>The Company publishes Director profiles on the Company's website outlining biographical details, other directorships held, commencement date of office and level of independence.</p> <p>The Constitution sets out the process of appointment, retirement and rotation of directors.</p> <p>All material information in the Company's possession relevant to a Directors election or re-election is provided to shareholders in the relevant notice of meeting for each Annual General Meeting (AGM).</p>
<p><b>Recommendation 1.3:</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>In accordance with the Board Charter, the appointment of any new director of XPON and each senior executive will be made by, and in accordance with, a formal letter of appointment / written agreement setting out the key terms and conditions relative to that appointment.</p> <p>Each of XPON's executive directors and senior executives have entered into services agreements with XPON, and each of XPON's non-executive directors have signed appointment letters with XPON.</p>



ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 1.4:</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Yes</p>	<p>The company secretary of XPON is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The key role and responsibilities of the company secretary are set out in the Board Charter.</p> <p>Each Director is entitled to access the advice and services of the Company Secretary and in accordance with the Company's Constitution, the appointment or removal of a Company Secretary is approved by the Board.</p>

<p><b>Recommendation 1.5:</b> A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>Partial Compliance</p>	<p>XPON adopted and published its Diversity Policy as part of its governance activities, as well as to demonstrate its continued commitment to cultivating an environment that promotes inclusiveness and collaborative work practices in line with its core values such as ‘Grow Together’.</p> <p>XPON recognises and values diversity and inclusiveness as a key factor in unlocking the potential and supporting the exponential growth of its people. It embraces the diverse experience, ideas, skills and perspectives of its people and recognises that diversity encompasses gender, ethnicity, race, age, disability, religious beliefs, sexual orientation, gender identity, culture, socio-economic background, tenure and education. XPON’s commitment to its diversity and inclusiveness principles ultimately is conjoined with a work environment conducive to the merit-based appointment of qualified employees, senior management and Directors.</p> <p>XPON has set the following measurable objectives, with the view to continually review and build on them in line with its core values and the Diversity Policy:</p> <ul style="list-style-type: none"> <li>• Gender diversity target of 30% women on the Board, senior management and in key operational positions.</li> <li>• Greater diversity across departments, roles and functions within the organisation to encourage thought leadership</li> <li>• Recruit from a diverse pool of qualified candidates, making efforts to identify prospective employees who have diverse attributes and industry experience</li> <li>• Ensure diversity of those involved in selection processes when selecting and appointing new employees and Board members.</li> <li>• Including diversity as a relevant consideration in XPON’s succession planning.</li> <li>• Ensuring a diversity lens is taken in terms of promotions and exits within the organisation.</li> <li>• Undertake a gender pay equity audit to gain a stronger insight into the effectiveness of diversity initiatives.</li> <li>• Training programs and across the organisation of which all employees are given equal access to participate.</li> <li>• Professional development and education on diversity in the workforce.</li> </ul> <p>Progress against gender diversity is reported to the Board with a focus on improving the gender balance in leadership and in roles that are usually held by males across our industry. The proportion of women employed by XPON as at 30 June 2022 is shown below:</p> <table border="1" data-bbox="949 1129 2029 1337"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Female</th> <th colspan="2">Male</th> <th rowspan="2">Total</th> </tr> <tr> <th>Number</th> <th>%</th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td><b>Company</b></td> <td>45</td> <td>37.5</td> <td>75</td> <td>62.5</td> <td>120</td> </tr> <tr> <td><b>SLT</b></td> <td>4</td> <td>36.4</td> <td>7</td> <td>63.6</td> <td>11</td> </tr> <tr> <td><b>Board</b></td> <td>-</td> <td>-</td> <td>3</td> <td>100.0</td> <td>3</td> </tr> </tbody> </table>		Female		Male		Total	Number	%	Number	%	<b>Company</b>	45	37.5	75	62.5	120	<b>SLT</b>	4	36.4	7	63.6	11	<b>Board</b>	-	-	3	100.0	3
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ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 1.6:</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Partial Compliance</p>	<p>In accordance with the Board Charter, the performance of all other Directors and senior executives is reviewed and assessed each year by the Chairman. The Chairman's performance is reviewed and assessed each year in consultation with the other Directors.</p> <p>The Remuneration and Nomination Committee is responsible for establishing processes for the review of the performance of individual directors, of all senior executives and the Board as a whole.</p> <p>As the Company recently listed on the ASX on 16 December 2021, a performance evaluation of the Board, its committees, individual directors and executives was not undertaken during the reporting period. The Board plans to undertake a performance evaluation in the 2023 financial year in accordance with the Board Charter.</p>

ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 1.7:</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>XPON has adopted a formal process for reviewing the performance of senior executives and addressing any issues that may emerge from that review.</p> <p>Each year the Board sets financial, operational, management and individual targets for the Group CEO. The Group CEO's performance evaluation is completed by the Chairman in consultation with the Board.</p> <p>The Group CEO sets key performance criteria for his direct reports. Performance against these criteria is reviewed formally with a final formal appraisal completed at the end of the financial year. Performance is also reviewed informally throughout the year.</p> <p>This performance evaluation process was in place and was followed for the reporting period.</p>
<p><b>Principle 2: Structure the board to be effective and add value</b></p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>		
<p><b>Recommendation 2.1:</b> The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Company has a Nomination &amp; Remuneration Committee, which is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to nomination and remuneration matters.</p> <p>The Nomination &amp; Remuneration Committee is comprised of three (3) directors, being Phillip Aris (Committee Chairman), Tim Ebbeck and Matt Forman. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for XPON.</p> <p>The Nomination &amp; Remuneration Committee Charter outlines the committee's authority, duties, responsibility and relationship with the Board and is contained in the Corporate Governance Charter, which is available on the Company's website: <a href="http://www.xpon.ai">www.xpon.ai</a>. The Committee will meet as often as it considers necessary.</p> <p>The Annual Report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>

<p><b>Recommendation 2.2:</b> A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The Nomination &amp; Remuneration Committee reviews the structure of the Board and makes recommendations to the Board with respect to the suitability of the skills mix of Directors, factoring in the Company's strategic objectives. .</p> <p>A Board skills matrix was completed during the period, which focused on the mix of skills, experience and personal attributes the Board considers relevant for Directors to effectively discharge their obligations and add value to the Company.</p> <p>This mix and depth of experience is described in the Board skills matrix as follows:</p> <table border="1" data-bbox="952 408 2072 1425"> <thead> <tr> <th data-bbox="952 408 1232 523">SKILLS AND EXPERIENCE</th> <th data-bbox="1232 408 1895 523">EXPLANATION</th> <th data-bbox="1895 408 2072 523">NO. OF DIRECTORS (OF 3)</th> </tr> </thead> <tbody> <tr> <td data-bbox="952 523 1232 643">GOVERNANCE:</td> <td data-bbox="1232 523 1895 643">Established Listed public company experience. Experience in the establishment and oversight of governance frameworks, policies and processes.</td> <td data-bbox="1895 523 2072 643">2</td> </tr> <tr> <td data-bbox="952 643 1232 815">LEADERSHIP &amp; COMMERCIAL ACUMEN:</td> <td data-bbox="1232 643 1895 815">Skills gained whilst performing at a senior executive (C-suite) level of a significant organisation for a considerable length of time. Includes delivering superior results, running complex businesses, leading complex projects and leading workplace culture.</td> <td data-bbox="1895 643 2072 815">3</td> </tr> <tr> <td data-bbox="952 815 1232 935">INDUSTRY EXPERIENCE:</td> <td data-bbox="1232 815 1895 935">Experience working at (C-suite level) or senior management experience in the Technology, Marketing/Sales and or Banking and Financial services industry</td> <td data-bbox="1895 815 2072 935">3</td> </tr> <tr> <td data-bbox="952 935 1232 1134">FINANCE/FINANCIAL MANAGEMENT EXPERIENCE:</td> <td data-bbox="1232 935 1895 1134">Good understanding of financial statements and drivers of financial performance for a business of significant size, including the ability to assess the effectiveness of financial controls. Either running or overseeing the Financial Management area. Also experience in M&amp;A, targeting, funding, DD and intergration.</td> <td data-bbox="1895 935 2072 1134">3</td> </tr> <tr> <td data-bbox="952 1134 1232 1310">RISK MANAGEMENT EXPERIENCE:</td> <td data-bbox="1232 1134 1895 1310">Experience in anticipating, recognising and managing risks, including regulatory, financial and non-financial risks. Experience in monitoring risk management frameworks and controls. Typically at ASX Audit and Risk Committee level or C-Suite operational role of medium – large corporation.</td> <td data-bbox="1895 1134 2072 1310">2</td> </tr> <tr> <td data-bbox="952 1310 1232 1425">TECHNOLOGY &amp; DIGITAL TRANSFORMATION:</td> <td data-bbox="1232 1310 1895 1425">Experience in a sizeable organisations at C-Suite or Senior Management level with a significant technology focus, including adaptation to digital change and innovation.</td> <td data-bbox="1895 1310 2072 1425">2</td> </tr> </tbody> </table>	SKILLS AND EXPERIENCE	EXPLANATION	NO. OF DIRECTORS (OF 3)	GOVERNANCE:	Established Listed public company experience. Experience in the establishment and oversight of governance frameworks, policies and processes.	2	LEADERSHIP & COMMERCIAL ACUMEN:	Skills gained whilst performing at a senior executive (C-suite) level of a significant organisation for a considerable length of time. Includes delivering superior results, running complex businesses, leading complex projects and leading workplace culture.	3	INDUSTRY EXPERIENCE:	Experience working at (C-suite level) or senior management experience in the Technology, Marketing/Sales and or Banking and Financial services industry	3	FINANCE/FINANCIAL MANAGEMENT EXPERIENCE:	Good understanding of financial statements and drivers of financial performance for a business of significant size, including the ability to assess the effectiveness of financial controls. Either running or overseeing the Financial Management area. Also experience in M&A, targeting, funding, DD and intergration.	3	RISK MANAGEMENT EXPERIENCE:	Experience in anticipating, recognising and managing risks, including regulatory, financial and non-financial risks. Experience in monitoring risk management frameworks and controls. Typically at ASX Audit and Risk Committee level or C-Suite operational role of medium – large corporation.	2	TECHNOLOGY & DIGITAL TRANSFORMATION:	Experience in a sizeable organisations at C-Suite or Senior Management level with a significant technology focus, including adaptation to digital change and innovation.	2
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ASX Recommendation	Compliance (Yes/No)	Explanation		
		<b>PEOPLE CULTURE &amp; REMUNERATION:</b>	Experience in people matters including workplace culture, management development, succession and remuneration. A demonstrated commitment to the promotion of diversity and inclusion. Typically at ASX Remuneration and Nominations Committee level or C-Suite operational role of medium – large corporation.	3
		<b>STRATEGY:</b>	Experience in developing and setting strategic direction. Experience in driving growth and transformation and executing against a clear strategy.	3
		<b>LISTED COMPANY EXPERIENCE</b>	Held two or more executive or non-executive directorships on Australian or internationally listed companies.	2
		<b>INTERNATIONAL EXPERIENCE:</b>	Senior leadership experience involving responsibility for operations across borders. Exposure to a range of political, cultural, regulatory and business environments.	3
Details of the Directors, including their qualifications and experience, together with details of their length of service can be found in the Board of Directors section the 2022 Annual Report.				

ASX Recommendation	Compliance (Yes/No)	Explanation												
<p><b>Recommendation 2.3:</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>XPON has disclosed in its Annual Report each director which the Board considers to be independent, being Phillip Aris (Non-Executive Chairman) and Tim Ebbeck (Non-Executive Director). In addition, XPON has disclosed in the 2022 Annual Report the skills, relevant experience and length of service of each of its directors.</p> <p>The Board Charter sets out guidelines for the purpose of determining independence of XPON directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.</p> <p>None of the aforementioned Non-Executive Directors have an interest, position or relationship of the type described in item 2.3 of the ASX Corporate Governance Principles and Recommendations.</p> <p>As of 18 August 2022:</p> <ol style="list-style-type: none"> <li>1) Phillip Aris, through his controlled entity, holds Shares and Options in the Company; and</li> <li>2) Tim Ebbeck, through his controlled entity, holds Options in the Company</li> </ol> <p>The interests of Phillip Aris and Tim Ebbeck are not considered material such that the Board considers it a factor impacting their independence.</p> <p>Matt Forman is the CEO and Managing Director of the Company, and therefore is not considered independent.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Appointment date</th> <th>Length of service</th> </tr> </thead> <tbody> <tr> <td>Phillip Aris (Non-Executive Chairman)</td> <td>26 September 2019</td> <td>2 years, 11 months</td> </tr> <tr> <td>Matt Forman (CEO and Managing Director)</td> <td>27 August 2019</td> <td>3 years</td> </tr> <tr> <td>Tim Ebbeck (Non-Executive Director)</td> <td>20 July 2021</td> <td>1 year, 1 month</td> </tr> </tbody> </table>	Name	Appointment date	Length of service	Phillip Aris (Non-Executive Chairman)	26 September 2019	2 years, 11 months	Matt Forman (CEO and Managing Director)	27 August 2019	3 years	Tim Ebbeck (Non-Executive Director)	20 July 2021	1 year, 1 month
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<p><b>Recommendation 2.4:</b> A majority of the board of a listed entity should be independent directors.</p>	Yes	<p>The Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Company has a three (3) member Board, of whom two (Phillip Aris and Tim Ebbeck) are independent non-executive Directors.</p> <p>The Board is satisfied that its composition throughout the relevant reporting period is suitable for XPON given its resources, size and operations. In particular, the current structure and composition of the Board has been determined having regard to the nature and size of XPON's operations, the skill set of XPON's Directors both individually and collectively, and the best interests of shareholders.</p>												
<p><b>Recommendation 2.5:</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Chairman, Phillip Aris, is an independent Director.</p>												

ASX Recommendation	Compliance (Yes/No)	Explanation
<b>Recommendation 2.6:</b> A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	In accordance with the Board Charter, the Board is required to ensure that any new director is appropriately introduced to XPON and is acquainted with knowledge of the industry within which XPON operates, its operations and its senior management. The Nomination and Remuneration Committee ensures appropriate induction and continuous professional development programs are implemented for Directors.
<b>Principle 3: Instill a culture of acting lawfully, ethically and responsibly</b> A listed entity should act ethically and responsibly.		
<b>Recommendation 3.1:</b> A listed entity should articulate and disclose its values.	Yes	<p>The Company has adopted the following values which embody XPON's culture, behaviours and actions:</p> <ul style="list-style-type: none"> <li>• Limitless potential</li> <li>• Lead with curiosity</li> <li>• Own it</li> <li>• Brave enough</li> <li>• Grow together</li> </ul> <p>These values are set out on the Company's website: <a href="http://www.xpon.ai">www.xpon.ai</a>.</p> <p>The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a code of conduct which is designed to be followed by all employees, contractors and officers. The Code of Conduct is contained in the Company's Corporate Governance Charter, which is available on the Company's website at <a href="http://www.xpon.ai">www.xpon.ai</a>.</p>
<b>Recommendation 3.2:</b> A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; (b) ensure that the board or a committee of the board is informed of any material breaches of that code; and (c) any other material breaches of that code that call into question the culture of the organisation.	Yes	<p>The Company has a Code of Conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.</p> <p>The Code of Conduct is contained in the Company's Corporate Governance Charter, which is available on the Company's website at <a href="http://www.xpon.ai">www.xpon.ai</a>.</p> <p>Material breaches of the Code of Conduct are reported to the Audit &amp; Risk Committee and escalated to the Board if necessary.</p>
<b>Recommendation 3.3:</b> A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	<p>The Company has a Whistleblower Policy, which sets out a process to ensure the company has the highest standard of conduct of ethical behaviour, including reporting to the Board any material incidents reported under the policy.</p> <p>The Whistleblower Policy is available on the Company's website: <a href="http://www.xpon.ai">www.xpon.ai</a>.</p> <p>Material breaches of the policy are reported to the Audit &amp; Risk Committee and escalated to the Board if necessary.</p>



ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 3.4:</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	Yes	<p>The Company has an Anti-Bribery and Anti-Corruption Policy to ensure the highest standard of honesty and integrity.</p> <p>The Anti-Bribery and Anti-Corruption Policy is available on the Company’s website: <a href="http://www.xpon.ai">www.xpon.ai</a>.</p> <p>Material breaches of the policy are reported to the Audit &amp; Risk Committee and escalated to the Board if necessary.</p>
<p><b>Principle 4: Safeguard the integrity of corporate reports</b></p> <p>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p>		
<p><b>Recommendation 4.1:</b> The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> <li>and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	Partial Compliance	<p>The Company has an Audit &amp; Risk Management Committee, which is responsible for assisting the Board to fulfil its corporate governance responsibilities in regard to audit and risk management matters.</p> <p>The Audit &amp; Risk Management Committee is comprised of three (3) directors, being Tim Ebbeck (Committee Chair), Phillip Aris and Matt Forman.</p> <p>The Board considers it a priority to maintain a diversity of opinion and skills on the Audit &amp; Risk Management Committee, and therefore Matt Forman (CEO and Managing Director) was a member of the committee for the reporting period, as opposed to the committee only comprising of the two non-executive directors.</p> <p>It is intended that at such time a third non-executive director is appointed to the Board, subject to their consent, the new non-executive director will be appointed as a member of the Audit &amp; Risk Management Committee and Matt Forman will retire as a member.</p> <p>The Audit &amp; Risk Management Committee Charter outlines the committee’s authority, duties, responsibility and relationship with the Board and is contained in the Corporate Governance Charter, which is available on the Company website: <a href="http://www.xpon.ai">www.xpon.ai</a>. The Committee will meet as often as it considers necessary.</p> <p>The Committee has met three times during the reporting period. The Annual Report will provide details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>

ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 4.2:</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>In accordance with the Board Charter, before the Board approves XPON's financial statements for a financial period, it must receive from XPON's CEO and Chief Financial Officer a declaration that, in their opinion, XPON's financial records have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of XPON's financial position and performance and that opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p><b>Recommendation 4.3:</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>When the Company releases information to the market that is not audited, any data and figures contained in the report, such as annual financial data, is reviewed to ensure it is accurate and consistent with the Company's audited financial statements with appropriate oversight by the Audit &amp; Risk Management Committee and the Board.</p>
<p><b>Principle 5: Make timely and balanced disclosure</b> A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</p>		
<p><b>Recommendation 5.1:</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.</p>	Yes	<p>XPON has adopted a Continuous Disclosure Policy for complying with its continuous disclosure obligations under the ASX Listing Rules (and the Corporations Act 2001 (Cth) (the Act)). A copy of the policy is available on XPON's Corporate Website.</p> <p>XPON will disclose to ASX any information concerning XPON which a reasonable person would expect to have a material effect on the price or value of XPON's securities.</p> <p>XPON's continuous disclosure policy establishes procedures to ensure that XPON's Directors and senior management are aware of, and fulfil their obligations in relation to, providing timely, full and accurate disclosure of material information to XPON's stakeholders and comply with XPON's disclosure obligations under the Act and the ASX Listing Rules.</p> <p>XPON is committed to observing its disclosure obligations under the ASX Listing Rules and the Act. Information will be communicated to shareholders through the lodgment of all relevant financial and other information with the ASX and continuous disclosure announcements will be made available on XPON's Investor Centre website</p>
<p><b>Recommendation 5.2:</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	<p>The Company has a written Continuous Disclosure Policy which is designed to ensure that the Board receives copies of all material market announcements promptly after they have been made.</p>

ASX Recommendation	Compliance (Yes/No)	Explanation
<b>Recommendation 5.3:</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company has a written continuous disclosure and communications policy which is designed to ensure that, where the Company gives a new and substantive investor or analyst presentation, release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation
<b>Principle 6: Respect the rights of security holders</b> A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
<b>Recommendation 6.1:</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	<p>XPON's Corporate Website is the primary means of providing information to all investors (and other stakeholders), in addition to the lodgment of all relevant financial and other information with ASX (which will also be available on XPON's and ASX's websites).</p> <p>Copies of XPON's governance documents, including its Corporate Governance Charter, Board Committee charters and policies are available under the "Corporate Governance" section on XPON's Investor Centre website.</p>
<b>Recommendation 6.2:</b> A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company's continuous disclosure and communications policy provides that the Company will use its website, half year and annual reports, market announcements and media disclosures to communicate with its shareholders, as well as encourage participation at general meetings.
<b>Recommendation 6.3:</b> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	<p>The Board encourages full participation of shareholders at the Company's Annual General Meetings and any General Meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the Auditor's report.</p> <p>The Company has adopted appropriate technologies to facilitate the effective communication and conduct of general meetings.</p>
<b>Recommendation 6.4:</b> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	It is Company practice for voting on all resolutions to be conducted by a poll. This practice will continue for the AGM this year.
<b>Recommendation 6.5:</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company recognises the timeliness, convenience and environmental advantages of electronic communication. Shareholders have the option of communicating with the Company electronically. The Company's registrar provides the option for shareholders to receive and send communications electronically. XPON also encourages its shareholders to receive company information electronically by registering their email addresses online or via post with the Company's share registry, Automic Group.

ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Principle 7: Recognise and manage risk</b></p> <p>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>		
<p><b>Recommendation 7.1:</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Yes	<p>The Board, through the Audit and Risk Management Committee ensures, amongst other things, that XPON has an effective risk management system in place and to manage key risk areas. The Committee is governed by the Audit and Risk Management Charter approved by the Board, a copy of which is available on XPON's Corporate Website.</p> <p>The Audit &amp; Risk Management Committee is comprised of three (3) directors, being Tim Ebbeck (Committee Chair), Phillip Aris and Matt Forman, a majority of whom are independent.</p> <p>The Audit &amp; Risk Management Committee Charter outlines the committee's authority, duties, responsibility and relationship with the Board and is contained in the Corporate Governance Charter. The Committee will meet as often as it considers necessary.</p> <p>The Committee has met three times during the reporting period. The Annual Report will provide details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>
<p><b>Recommendation 7.2:</b> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Audit and Risk Management Committee is required, on an annual basis, to review XPON's risk management framework to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.</p> <p>Having recently listed on the ASX on 16 December 2021, the Company established the risk management framework during the reporting period and it will be reviewed in the following reporting period.</p>

ASX Recommendation	Compliance (Yes/No)	Explanation
<p><b>Recommendation 7.3:</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	No	Due to the Company's limited number of employees and relative nature and scale of its operations, the costs of an independent internal audit function would be disproportionate. The Company has an external auditor and the Audit & Risk Management Committee will monitor the Company's internal control processes and evaluate material or systemic issues.
<p><b>Recommendation 7.4:</b> A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	The Company continues to review any material exposures to environmental and social risks and is committed to positive environmental and social outcomes and compliance with applicable legal and regulatory requirements. The Board does not consider that the Company has any such material risks.
<p><b>Principle 8: Remunerate fairly and responsibly</b></p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p>		
<p><b>Recommendation 8.1:</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</li> </ol> <p>or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors</p>	Yes	<p>The Nomination &amp; Remuneration Committee is governed by the Nomination &amp; Remuneration Committee Charter adopted by the Board, a copy of which is available on XPON's Investor Centre Website. The Charter sets out the roles, responsibilities, composition, structure and membership requirements of the Remuneration and Nomination Committee.</p> <p>The Nomination &amp; Remuneration Committee is comprised of three (3) directors, being Phillip Aris (committee chairman), Tim Ebbeck and Matt Forman, the majority of whom are independent. The Board is satisfied that the composition of the Committee reflects an appropriate balance of independence, skills and experience for XPON.</p> <p>The Nomination &amp; Remuneration Committee Charter outlines the committee's authority, duties, responsibility and relationship with the Board and is contained in the Corporate Governance Charter, which is available on the Company's website: <a href="http://www.xpon.ai">www.xpon.ai</a>. The Committee will meet as often as it considers necessary.</p> <p>The Committee met twice during the reporting period. The Annual Report provides details on the members of the committee, the number of times the committee met throughout the relevant period and the individual attendances of the members at those meetings.</p>

ASX Recommendation	Compliance (Yes/No)	Explanation
and senior executives and ensuring that such remuneration is appropriate and not excessive.		
<p><b>Recommendation 8.2:</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The Company is in the process of adopting an overall remuneration policy which comply with the Guidelines including separately disclosing the remuneration of non-executive Directors, the remuneration of executive Directors and other senior executives, and any equity-based remuneration (and restrictions). The remuneration of Directors is disclosed in the 2022 Annual Report.</p> <p>No Director or senior executive is involved directly in deciding their own remuneration.</p>
<p><b>Recommendation 8.3:</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company operates an employee share option plan.</p> <p>In accordance with the Company's Securities Trading Policy, participants are not permitted to enter into transactions which limit economic risk without written clearance. The Securities Trading Policy is available on the Company's Investor Centre website <a href="http://www.xpon.ai">www.xpon.ai</a></p>