

**constellation  
technologies**



**Constellation Technologies Limited  
Board Charter**

## 1. Role and Responsibilities of the Board

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This policy sets out the role, responsibilities and processes of the Board of Constellation Technologies Limited. It operates in conjunction with the Constitution of the Company and relevant laws including the Corporations Act.

The role of the Board is to provide leadership and strategic direction for the Company and to oversee and monitor the Company's businesses and affairs. Directors are accountable to the shareholders for the Company's performance. The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed. Directors must fulfil their fiduciary obligations to shareholders but will also take into consideration the interests of other stakeholders in the Company, including employees, customers, creditors and others with a legitimate interest in the Company's affairs.

The Board reviews and approves the Company's business plans and guiding policies. Day to day management of the Company's affairs and implementation of its strategy and policy initiatives are delegated to the Chief Executive Officer and by them to other senior executives.

The key responsibilities of the Board include:

- demonstrating leadership, defining the Company's purpose and setting the strategic objectives of the Company;
- approving strategies and plans by management for the implementation of the strategic objectives set by the Board;
- approving the Company's values and policies that underpin the desired culture within the Company;
- reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- approving key management recommendations (such as major capital expenditure, acquisitions, divestments, restructuring and funding);
- monitoring executive management and business performance in the implementation and achievement of strategic and business objectives, including challenging management on the outcomes and holding them to account when required;
- ensuring that management are instilling the Company's values & policies to achieve the desired culture within the Company.
- ensuring that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;

- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board, including the Company's compliance with material legal and regulatory requirements and any conduct that is inconsistent with the Company's values or policies that underpin conduct;
- overseeing the management of occupational health and safety and environmental performance;
- meeting statutory and regulatory requirements and overseeing the way in which business risks and the assets of the Company are managed;
- approving the Company's remuneration framework, major HR policies and overseeing the development strategies for senior executives;
- ensuring that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- monitoring financial results on an on-going basis;
- appointing the Chair and, if applicable, the deputy chair;
- appointing and replacing the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS), and ratifying the appointment and removal of executives reporting directly to the Chief Executive Officer (senior executives);
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- approving financial plans, operating budgets and major capital expenditure;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have material effect on the price or value of the entity's securities;
- ensuring that measures are taken for achieving diversity within the organisation; and
- monitoring the effectiveness of the entity's governance practices.

## **2. Composition of the Board**

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The composition of the Board is determined using the following principles:

- The Board is comprised of a minimum of 3 and a maximum as set by and allowed under the Company's Constitution.

- It is the aim of the Board to appoint an independent non-executive director as Chairman of the Board, taking into consideration the total number of directors on the Board.
- It is the aim of the Board to always contain a majority of independent non-executive directors as defined by the Board, taking into consideration the total number of directors on the Board.
- Collectively, the Board will have the necessary expertise to ensure the Company meets its key financial and strategic goals. The Remuneration & Nomination Committee, if enacted, will determine on an annual basis whether the Board 'mix' meets its current strategies and make recommendations to the Board for the implementation of any changes to reflect any changes in strategies. Otherwise, this role will be undertaken by the full Board.
- Each Board member will undergo an induction program prior to the commencement of his or her role as a Director and abide by requests for continuing education as recommended by the Remuneration & Nomination Committee.

### **3. Role of the Chairman**

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The Chairman is responsible for:

- leadership of the Board;
- approving the agenda for board meetings and ensuring that sufficient time is available for discussion of all agenda items, including strategic matters.
- overseeing the Board in the effective discharge of its supervisory role;
- facilitating the work of the Board at its meetings and ensuring that the principles of the Board are maintained;
- taking such measures as are necessary to facilitate an effective contribution from all Directors;
- promoting a constructive & respectful relationship between Board members and the Board and management; and
- ensuring that there is regular and effective evaluation of the Board's performance via the Remuneration & Nomination Committee.

### **4. Appointment / Retirement of Directors**

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The Remuneration & Nomination Committee, if enacted, is responsible for:

- Reviewing and making recommendations on the composition of the Board, appointments to the Board and skill sets required.
- Board succession planning and continuing education requirements of board members.
- Remuneration of Directors.
- Ensuring that the Company has a written agreement with each Director.
- Shareholders are aware of the qualifications and background of all directors.
- Ensuring that the requirements for directors under the Company's Constitution, Corporations Act and ASX Listing Rules are met.

If the Remuneration & Nomination Committee is not enacted, these responsibilities will fall back to the full board to consider.

## **5. Board Meetings**

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- Board meetings are generally held on a monthly basis. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.
- The Chairman in consultation with the CEO and Company Secretary is responsible for the orderly conduct of the board meetings.
- The Board meeting agenda and relevant papers will be distributed to all directors at least 3 days prior to the meeting.
- Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.
- Directors will keep confidential Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors support the letter and spirit of Board decisions.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.
- The Board may establish a number of permanent Board committees to assist in the execution of its responsibilities. In addition to these permanent committees, it is the practice of the Board to establish ad hoc sub committees on an as needed basis. All directors are expected to be available for membership of these committees, to prepare fully for relevant committee meetings, and to attend as

many meetings of Board committees and sub-committees, of which they are a member, as is reasonably practicable.

- The agenda and papers for Board committee meetings will be distributed at least 3 days prior to each meeting.

## **6. Remuneration of Directors**

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- Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package.
- Remuneration of non-executive directors is determined in maximum aggregate by shareholders and is allocated by the Board on the recommendation of the Remuneration & Nomination Committee. The Committee will take independent advice in respect to directors' fees on an as needed basis.
- Non-executive directors' fees are paid on a gross fees basis (except GST where applicable). Non-executive directors do have the option of packaging their fees on the same basis as executives (eg. superannuation, motor vehicles).
- No director is required to hold shares in the Company as part of their appointment.
- The reasonable expenses incurred by a director in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.
- There is to be no plan to provide remuneration, reward or other benefits to non-executive directors upon the cessation of them holding office as a director.

## **7. Board Appraisal**

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A process has been established to review and evaluate the performance of the Board as a whole, committees and individual directors. Each year, a performance appraisal process will be coordinated by the Remuneration & Nomination Committee, to assess performance over the previous 12 months and to examine ways of assisting each person, Committee or the Board in performing their duties more effectively in the future, such as through further education.

The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period.

The Remuneration & Nomination Committee or Board will determine the process for the evaluation and seek external consultancy if required.

## **8. Directors' Other Interests**

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Directors other interests, which are likely to conflict with the interests of the Company, are declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director concerned will absent himself from the meeting at which the issue is discussed and will abstain from voting on the issue.

Each director is required to provide and to keep the Company provided with up to date details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Company is party, related party transactions, family ties) both before and during the holding of office to enable a register to be maintained.

## **9. Independent Professional Advice**

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Each director has the right, with the prior approval of the Chairman (not to be withheld except in case of an unreasonable request by a director) to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairman wishes to obtain independent professional advice, the Chairman must obtain the prior authorisation of the Chairman of the Audit & Risk Compliance Committee, if the Committee has been enacted, and this authorisation may not be withheld except in case of an unreasonable request by the Chairman.

A copy of all such advice must be provided immediately to the Chairman, and made available to the Board at the next meeting following receipt of the advice, unless it is privileged from production by the director to the Company according to law, or would thereby be available to another party to proceedings to which the director is also a party.

## **10. Agreement for Provision of Information to Stock Exchange/s**

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Where the Company is required, under the listing rules of the Australian Stock Exchange (ASX) and any other stock exchange upon which the Company is obliged to disclose to such exchanges, the details of directors' interests in securities, and in contracts relevant to the securities, then the Company is also required to enter into an agreement with each of the directors under which the directors are obliged to provide the necessary information to the Company to enable discharge of those obligations.

All directors are required to enter into such an agreement and to provide the specified information within the agreed timeframe.

## **11. Continuous Disclosure**

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The Board is aware of its obligations in respect to continuous disclosure of material information and embraces the principle of providing access to that information to the widest audience of investors. The Board will regularly review the effectiveness of the Company procedures in place to ensure that continuous disclosure is maintained.

The Company, in accordance with the provisions of the Corporations Act 2001 (Cth) and the ASX Listing Rules, advises the ASX of any transaction conducted by directors in securities in the Company. A Continuous Disclosure Policy has been issued and all directors are required to comply with that policy.

## **12. Company Secretary**

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The Company Secretary will be appointed by the Board on such terms the Board determines appropriate. The Company Secretary will be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. The Company Secretary will coordinate all Board business (which includes agendas, minutes, board papers, ASIC and other governmental filings, lodging ASX announcements) including the following:

- Advising the board and its committees on corporate governance matters.
- Advising the board on compliance with ASX and ASIC rules and regulations.
- Liaising with the ASX and ASIC.
- Monitoring that board and committee policies and procedures are followed.
- Coordinating the timely completion and despatch of board and committee papers.
- Ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of directors.
- Facilitating the maintenance of Company Registers as required the Corporations Act and ASX Listing Rules.
- Ensuring that the Company's Share Registers are maintained.

The Company Secretary shall be the Secretary of all Board Committees.

### **13. Board Committees**

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To ensure that the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board may enact and delegate certain specific duties to permanent Board committees:

- Audit, Risk & Compliance Committee (AUDCO); and
- Remuneration & Nomination Committee (REMCO).

The structure and membership of the Committees and their charters will be reviewed annually.

Other sub-committees may be constituted from time to time, as required.

The Board will determine the membership and composition of Board Committees in accordance with their applicable Charters.

### **14. Review of Charters & Policies**

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Board and Committee Charters & Company Policies will be reviewed at least every two years or as stipulated in each policy or required to comply with legislation.