

constellation
technologies



**Remuneration & Nomination
Committee Charter**

1. General Scope and Authority

The Remuneration & Nomination Committee (REMCO or Committee) is a committee of the Board of Constellation Technologies Limited and is established in accordance with the authority provided in the Constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Committee.

2. Composition

The REMCO will consist of a minimum of 2 directors of the Board, the majority of which shall be independent non-executive directors where possible, taking into consideration the total number of board members, their background and experience and assessment of independence by the Company. All members (including the chairman) of the REMCO are appointed by the Board. Where possible, the chairman of the Committee will be a non-executive director. An appointment to the Committee will automatically terminate on that member ceasing to be a director of the Board.

The secretary of the REMCO will be the Company Secretary.

A copy of the REMCO Charter will be made available to shareholders on the Company's website.

3. Meetings

The REMCO shall meet as frequently as required but not less than once a year.

Any member of the Committee may call a meeting of the REMCO.

A notice of meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee 3 days in advance of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Committee from time to time.

Other Board directors, executives and/or parties external to the Company may attend REMCO meetings but only at the invitation of the chairman of the Committee.

Committee members will not be in attendance at meetings at which their own individual remuneration is being discussed.

The Committee may conduct meetings without all members being in the physical presence of one another provided that all Committee members involved in the meeting are able to participate in discussion.

The chairman of the Committee, or his/her delegate, shall report to the Board following each meeting.

Should the chairman of the Committee be absent from a meeting and no acting chairman has been appointed, the members of the Committee present at the meeting have authority to choose 1 of their number to be chairman for that particular meeting.

Minutes of proceedings and resolutions of Committee meetings shall be kept by the Company Secretary. Minutes will be distributed to all Committee members after preliminary approval has been given by the Committee chairman.

4. Authority

The Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of any entity of the Company or related parties and such officers or employees shall be instructed by the Board of the entity employing them to cooperate fully in the provision of such information.

The Committee also has the authority to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Committee discharges its responsibilities by making recommendations to the Board, but it does not have any executive powers to commit the Board or management to their implementation. The Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

5. Duties and Responsibilities

5.1 Remuneration

(a) General

- The Committee is responsible for developing, reviewing and making recommendations to the Board on the Company's Remuneration Policy,
- Reviewing the ongoing effectiveness & relevance of the Remuneration Policy.
- Overseeing the implementation of the Remuneration Policy.
- Ensuring that employment practices for the Group are in line with legislative requirements.
- Determine which staff are defined as Key Management Personal for the purposes of the Corporations Act, ASX Listing Rules and AASB 124 Related Party Disclosures.
- Approval of the Remuneration Report to be disclosed in the Annual Report to shareholders.

(b) Executive Directors

- Ensure the Company has a written agreement with each Executive Director setting out the terms of their appointment.
- Consider and make recommendations to the Board on the specific remuneration components awarded to each Executive Director (including base pay, superannuation, incentive payments, equity awards, retirement rights, service contracts) having regard to the Remuneration Policy.
- Approving the framework for the evaluation of Executive Director performance.
- Overseeing the conduct of annual evaluations of the Executives performance and reporting outcomes to the board.
- Report any proposed changes to the remuneration structure or contract terms of executive's directors to the board.
- Succession planning for the Chief Executive Officer (CEO) and any Executive Director.
- Approval of all termination payments.
- Approval of all cash or equity settled incentive payments.

(c) Executive and Senior Management

- Ensure the Company has a written agreement with each Executive or Senior Manager setting out the terms of their appointment.
- Consider and make recommendations to the Board on the remuneration framework for all Executives and Senior Managers.
- Approving the framework for the evaluation of Executive/Senior Manager performance.
- Receiving a report on an annual basis from the CEO on the outcome of performance evaluations conducted on each Executive/Senior Manager.
- Report any proposed changes to the remuneration structure or contract terms of executives/senior managers to the board.
- Review of succession planning programme for key executives in conjunction with the CEO.
- Approval of all termination payments.
- Approval of all allocation of incentive payments.

(c) Non-Executive Directors

- Ensure the Company has a written agreement with each Non-Executive Director setting out the terms of their appointment.
- Consider and make recommendations to the Board on the remuneration for all Non-Executive Directors.
- Approving the framework for the evaluation of individual non-executive directors, committees and the board as a whole.
- Overseeing the conduct of an annual performance evaluation for each non-executive director, all committees of the Board and the Board as whole and reporting all outcomes to the Board.

(d) Incentive Schemes

- Review and report upon the design & implementation of all incentive schemes, including equity based plans.
- Ensure that all equity-based incentive schemes are approved by shareholders, if required, under Corporations Act and ASX Listing Rule requirements.
- Ensure that payment of equity-based remuneration is made in accordance with thresholds set in plans approved by shareholders.
- Ensure all incentive plans are reviewed in the light of legislative, regulatory and market developments.
- For each incentive plan, recommend to the Board whether awards should be made under that plan.
- Review and make recommendations about performance criteria for each incentive plan.

(e) Diversity

- Set the Company's measurable objectives for achieving gender diversity and annually reviewing those objectives and the entity's progress towards achieving them;
- Identifying ways to promote a culture supportive of diversity, including recruitment from a diverse pool of candidates.

5.2 Nomination

(a) The Committee is responsible for:

- Formulating a set of desired skills, knowledge, experience, independence and diversity for membership to the board - the board skills matrix.
- Ensuring that directors have the appropriate mix of competencies and diversity to enable the board to discharge its responsibilities effectively.
- Making recommendations to the board on the size of the board and desired competencies of directors for selection to the board.
- Developing and reviewing processes for the selection and appointment of directors.
- Identifying and recommending appropriate new board appointments taking into consideration the skills matrix and the skills, experience and expertise of potential candidates.
- Making recommendations to the board on the retirement or re-election of existing board members taking into consideration the board skills matrix and the directors the skills, experience and expertise of the director.
- Conducting a review of the board skills matrix on an annual basis.
- Conducting appropriate background checks on potential board appointees. These checks will include details of the person's character, experience, education, criminal record and bankruptcy history.
- Ensuring that Shareholders are aware of each directors skills, competencies and background when they are nominated for election and re-election. This will include the nominees other current employment positions that could influence the amount of time they have to devote to the company, if there are

any potential conflicts of interest, and whether the board recommends their appointment.

- Developing and reviewing induction procedures for the appointment of new directors.
- Ensuring that each new directors undergoes an induction process.
- Developing, implementing and reviewing (on at least an annual basis) continuing education measures to enhance or update director competencies, knowledge and skills including key developments affecting the Company, the industry and environment in which it operates.
- Determine on an annual basis, which directors are to be considered to be Independent Directors, taking into consideration the ASX's Corporate Governance Principles and make a recommendation to the board prior to disclosure to the market.

(b) Assistance

The Committee may seek professional outside assistance to assist with the recruitment of directors to the Board.

(c) Term

- No director except a Managing Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the director's election, whichever is the longer, without submitting himself or herself for re-election.
- One third of all directors, except a Managing Director, will retire by rotation each year but may offer themselves for re-election for a further 3 year period.
- The Company does not have a policy with regard to establishing a maximum term

6. Expenses

REMCO members are not entitled to receive additional remuneration for their role as members of this committee unless so approved by the Board.

All reasonable expenses incurred by REMCO members in discharging their obligations and attending REMCO meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

7. Authority and Approval

The Committee has been given authority to act by the Board. The Committee's terms of reference are to be reviewed every two years by the Committee to ensure they remain consistent with the Committee's authority, objectives and responsibilities. Any significant changes to the terms of reference are to be recommended by the Committee to the Board for approval.