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Corporate Governance Statement 2021

The Board of Directors (Board) of Constellation Technologies Limited (CT1, Company or Group) is responsible for the corporate governance of CT1 and its subsidiaries. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition) (Principles or Recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the recommendations, the Board has offered full disclosure of the nature and reason for the departure.

As a measure of its commitment to good corporate governance, the Board will continue to review and continually improve its governance policies and practices as the Company grows and its operations increase.

All Charters and Policies are available from the Company and on its website www.ct1limited.com.

This statement was authorised for issue by the Board on 30 August 2021.

Principle 1: Lay solid foundations for management and oversight.

Board and management functions

The Board has formalised its roles and responsibilities into a Charter. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has delegated to management.

In summary the responsibilities of the CT1 Board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and managing the Chief Executive Officer;

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- ratifying the appointment and where appropriate the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of managements' development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- corporate governance.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or an employee. However, the Board acknowledges that it retains the ultimate responsibility for the exercise of such powers under the *Corporations Act 2001 (Cth)*.

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing CT1's annual budget, recommending it to the Board for approval and managing day to day operations within the budget;
- managing day to day operations in accordance with standards for social and ethical practices which have been set by the Board; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

Appointment of Directors

The Company performs appropriate checks of any person to be appointed a Director, either by the Board or nominated by shareholders. These checks include details of the person's character, experience, education, criminal record and bankruptcy.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to elect a Director for the first time:

- biographical details including relevant qualifications, experience and skills that they bring to the Board;
- details of any other material Directorships currently held;
- any materially adverse information revealed by the checks the Company has performed about the candidate;
- any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally;
- whether the Board considers that, if elected, the candidate will qualify as an independent Director; and
- whether the Board supports the election of the candidate.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to re-elect a Director standing for re-election:

- biographical details;
- relevant qualifications, experience and skills they bring to the Board;
- detail of any other material Directorships currently held;
- term of office currently served;
- whether the Board considers the Director an independent Director; and
- if the Board supports their re-election.

Written Agreements

The Company ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. Material terms of contracts of employment are included in the Remuneration Report which is published in the Annual Report each year.

Company Secretary

The Company Secretary is accountable directly to the Board. The Company Secretary advises the Board on all governance matters, ensures Board policies and procedures are followed, dispatches board papers in a timely manner, accurately records the minutes of meetings and assists in the induction and professional development of Directors.

The appointment or removal of the Company Secretary is a matter for the Board.

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Diversity

The Board recognises the benefits of achieving an appropriate mix of diversity on its Board and throughout the Company as a means of enhancing the Company's performance and organisational capabilities. However, at this stage of development of the Company, the Board has elected not to establish a formal diversity policy due to the limited number of personnel employed by the Company and the nature of its current activities.

CT1 aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation. The Board has determined that no specific measurable objectives will be established until the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

The Board of CT1 has three Directors, all of which are male. The executive team consists of one male and one female. The Company's Australian operations has 3 female employees and 4 male employees working in a full time or part-time capacity as at the date of this report.

Board & Executive Performance Evaluation

The Board has adopted an on-going, self-evaluation process to measure its own performance, that of individual Directors (including Executive Directors) and the performance of its committee functions during the reporting period.

The Chairman meets periodically with the individual Directors to discuss the performance of the Board and the Director. The Chairman's performance is also formally evaluated by the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of Directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of all the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and their value adding contribution to the overall management of the business.

The CEO conducts a review of the performance of all executives based on the above factors and personal, financial and corporate goals assigned to the executive.

A performance evaluation of the Board, its committees, Directors (including the Chairman) and executives takes place during each annual reporting period in accordance with the process detailed within this statement. The process was carried out this year.

The outcomes of the assessment program are used to enhance the effectiveness of individual Directors and the Board collectively and those of executives.

Principle 2: Structure the Board to add value.

Composition of the Board

The Board is currently comprises of three directors in total; two non-executive Directors and one executive Director.

The Board has deemed that the Chairman, Mr Leath Nicholson to be an independent non-executive Director. The Chairman does not hold the position of CEO or Managing Director of the Company.

The profiles of the Directors, their tenure, skills, experience and expertise are set out in the Directors Report of the 2021 Annual Report.

There is no shareholding requirement imposed upon Directors under the Company's Constitution, however all of the Directors hold shares or options either directly or indirectly in the Company.

Details of all holdings of Directors in the Company are included within the Directors' Report of the 2021 Annual Report.

Independence

Due to the size of the Board and the Company's current stage of development, the Board considers the following criteria appropriate for the assessment of a Director's independence:

- independent of management, that is, the Director holds a non-executive position; and
- free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case-by-case basis by reference to the Director's individual circumstances rather than any general materiality thresholds.

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The Board has made its own assessment to determine the independence of each Director on the Board. It is the Board's view that during the year that its two current non-executive Directors are independent, namely: Mr. Leath Nicholson and Mr. Anoosh Manzoori.

The Boards acknowledges that its assessment criteria for director independence does not necessarily follow that of the ASX's Principles.

According to the ASX's Principles, a Directors independence should consider if the Director:

- is or has been employed in an executive capacity within the last 3 years;
- receives performance-based remuneration (including equity);
- is or has been in a material business relationship with the Company in the last 3 years;
- is, represents, or has been an officer, employee, or professional advisor to a Substantial Shareholder within the last 3 years;
- has close personal ties with any person who falls within the above categories; and
- has been a director of the Company for such a long period of time that their independence from management and Substantial Shareholders may have been compromised.

Mr Leath Nicholson is considered an independent Director as his law firm, Nicholson Ryan Lawyers provides legal services on arms length terms, he is not directly involved in providing those services, and the value of those services are not material to CT1.

The Company believes that Mr Nicholson declared interests above do not materially interfere with the exercise of his unfettered and independent judgement.

The Board considers that the current mix of skills, experience and qualifications held by individual Board members to be in the best interests of and consistent with the long-term interests of the Company. The Board will continue to monitor the requirements for independent Directors in the context of the Company's communicated long-term objectives.

The length of service of each director is disclosed in the Directors Report of the Annual Report.

The independence classification of each director during the year and the length of service for each director as at 30 June 2021 is set out below:

Name	**Role**	**Independence**	**Tenure**
Leath Nicholson	Non-executive Chairman	Independent	4 years, 8 months
Anoosh Manzoori	Non-executive Director	Independent	4 years, 8 months
Adam Gallagher	Executive Director	Non-Independent	6 years, 1 month

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Nomination Committee

The responsibilities of a Nomination Committee are carried out by the Remuneration & Nomination Committee. This Committee consists of only two independent non-executive directors due to the current size of the Board. The chair being Mr. Leath Nicholson.

The names, qualifications and experience of each member of the Committee, along with details of the number of meetings attended by its members during the year are set out in the Directors Report of the 2021 Annual Report.

Should the Committee deem a vacancy exists on the Board, the Committee identifies candidates with the appropriate expertise and experience, using external consultants as appropriate. The most suitable candidate is appointed but must stand for election at the next annual general meeting following their appointment.

The process for re-election of a Director is in accordance with the Company's Constitution, which requires that each year, at least one-third of the Directors (excluding a Managing Director) retire from office at the Annual General Meeting. The retiring Directors may be eligible for re-election.

Skills matrix

The Board has identified the skills and competency of each Board member. It has elected not to adopt Recommendation 2.2 as it considers that its current practices of identifying skills and competency are an efficient means of meeting the needs of the Company, particularly having regard to the fact that CT1 is a relatively small publicly listed Company by comparison to other listed entities which is reflected by the size of its operations, Board structure and composition.

Induction program & ongoing education

Procedures for induction of new Directors are in place to allow new Directors to participate fully and actively in Board decision making at the earliest opportunity.

All Directors are offered an induction program appropriate to their experience upon appointment so as to familiarise themselves with matters relating to the business, strategy

and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services and operations, and scheduled meetings with the Chairman and CEO of the Company.

The Board encourages Directors to continue their education by participating in applicable workshops and seminars, attending site visits and undertaking relevant external education. The Company Secretary provides Directors with on-going information on matters of corporate governance.

Board briefings and access to information

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the Board are addressed.

Prior to each meeting, Directors receive financial and operational reports from senior management who are available to discuss reports with the Board.

Due to the small size of the Board, Board members are able to consult with each other outside of official Board meetings on a regular basis and have unvetted access to senior managers to discuss reports and issues as they arise.

Independent professional advice

The Company has in place a procedure whereby, after appropriate consultation, Directors are entitled to seek independent professional advice at the expense of the Company to assist them in carrying out their duties as Directors. Any advice received by an individual Director is made available to all Directors.

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Principle 3: Instil a culture of acting lawfully, ethically and responsibly

CT1 is committed to the operation of its business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of the Company and the industry in which it operates.

The Company has set the following values for the Company which are enshrined in its Code of Conduct.

- **Innovation**: Being at the forefront of innovative solutions to capture, interpret and drive value from data.
- **Excellence**: Strive to be the best in what we do.
- **Accountability**: Be accountable for our actions and their consequences.
- **Diversity & Respect**: Be on world, respect everyone.
- **Ethically**: Act with honesty, integrity and transparency in all our business dealings, abiding by all laws in the jurisdictions that we operate in.

The Code of Conduct applies to all Directors, executives, management and employees without exception.

The Code of Conduct is designed to ensure that:

- high standards of corporate and individual behavior are observed by all Directors, executives, management and employees in the context of their respective roles and the performance of their duties with the Company.
- Directors, executives, management and employees are aware of their responsibilities to the Company under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of the Company.

In summary, the Code provides that all Directors and senior executives must:

- act honestly, in good faith and in the best interests of the Company;
- use due care, skill and diligence in fulfilling their duties;
- use the power of their position for a proper purpose, in the interest of the Company;
- not make improper use of information acquired by virtue of their position;
- not allow personal interest, or those of associates, to conflict with the interest of the Company;

- exercise independent judgement and actions;
- maintain the confidentiality of Company information acquired by virtue of their position; not engage in conduct likely to discredit the Company;
- abide by aniti-bribery and corruption laws imposed under legislation in the jurisdictions in which the Company operates and enshrined in the policy; and
- comply at all times with both the spirit and the letter of the law of the jurisdictions in which the Company operates, as well as, all policies instigated by the Company.

The Company has a Whistleblower Policy in place to enable stakeholders to inform the Company of any employee or corporate behavior that it believes, or suspects is in contravention of the Company's Code of Conduct or other corporate policies in place. The Board and sub-committees of the Board are informed of any breaches of the Code of Conduct and Whistle-Blower Policies.

Principle 4: Safeguard integrity of financial reporting.

Audit Committee

The responsibilities of an Audit Committee are carried out by the Audit & Risk Committee. This Committee consists of only two independent non-executive directors due to the current size of the Board.

The Board considers that the technical skills, qualifications and experience represented by the involvement its members Mr Anoosh Manzoori (Chair) and Leath Nicholson are most suited to the effective discharge of the responsibilities of this Committee.

The names, qualifications and experience of each member of the Committee, along with details of the number of meetings attended by its members during the year are set out in the Directors Report of the 2021 Annual Report.

The Board will monitor the level of participation in the Committee as the Company grows and additional Directors are appointed to the Board.

The Committee's role and responsibilities are detailed in a formalised Audit & Risk Committee Charter.

Reflecting the relatively small size of the Company the Audit & Risk Committee is responsible for:

- reviewing the annual and half year financial reporting carried out by the Company;
- reviewing the accounting policies of the Company;

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- reviewing the scope and audit programmes of the external auditors and internal auditor/compliance team (if appointed) and any material issues arising from these audits;
- overseeing the independence of the external auditors and determining procedures for the rotation of audit partners;
- ensuring the sufficiency of, and compliance with, ethical guidelines and Company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to the Company; and
- the effectiveness of the group's risk management systems and strategies.

CEO and CFO Declaration

Each year the Chief Executive Officer and the Chief Financial Officer provide the Board with written confirmation that:

- The consolidated financial statements for each half year and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with accounting standards; and
- The declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer this financial year.

External auditor attendance at AGM

The Company ensures that the lead audit partner or their representative attends the AGM in order to be available to answer questions from shareholders pertaining to the audit.

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Corporate Reports released to the market

Financial information disclosed in an announcement to the market that has not been previously verified by the Company's external auditor in its audited or reviewed financial statements must be authorised by the Chief Financial Officer and the Board prior to being disclosed.

Principle 5: Make timely and balanced disclosure

The Board is committed to keeping its shareholders and the market fully informed of major developments having an impact on the Company.

Comprehensive procedures are in place via the Company's Continuous Disclosure Policy to identify matters that are likely to have a material effect on the price or value of the Company's securities and to ensure those matters are notified to the ASX in accordance with ASX disclosure requirements.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX. All new and substantive investor or analyst information is released to the ASX Market Announcements Platform prior to its presentation.

The Company Secretary is responsible for all communications with the ASX.

Board members receive a copy of all material announcements made to the ASX Market Announcements Platform.

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Principle 6: Respect the rights of security holders

The Company recognises the rights of shareholders to be informed of matters, in addition to those prescribed by law, which affect their investments in the Company.

CT1 is committed to:

- dealing fairly, transparently and openly with both current and prospective shareholders;
- using all available channels and cost-effective technologies to reach and communicate with shareholders who may be geographically isolated; and
- facilitating participation in shareholder meetings and dealing promptly with shareholder enquiries.

CT1 communicates information to shareholders through:

- the annual report;
- disclosures to the ASX and ASIC;
- notices and explanatory memorandum of annual general meetings and general meetings; occasional letters from the Chief Executive Officer to inform shareholders of key matters of interest; and
- the Company's website www.ct1limited.com.

As a small listed Company, CT1 currently does not have the resources for a dedicated investor relations employee or consultant. Shareholders are encouraged to attend all AGM's or general meetings and are given the opportunity to meet management immediately following all meetings. In addition, management will respond to meeting or information requests by shareholders in a timely manner.

Should a shareholder not be able to attend an AGM or general meeting, they are encouraged to participate in the meetings by lodging a proxy form or asking questions of the Company's external auditor on the conduct of the audit or the preparation and content of the auditor report, prior to the meeting.

All substantive resolutions at a general meeting are decided by a poll rather than a show of hands.

Shareholders can communicate electronically with the Company's registry via its online portal access. Shareholders are encouraged to elect to receive communications with the Company electronically so they are able to receive information in a timely manner.

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Principle 7: Recognise and manage risk.

Risk Committee

The responsibilities of a Risk Committee are carried out by the Audit & Risk Committee. This Committee consists of only two independent non-executive directors due to the current size of the Board.

The names, qualifications and experience of each member of the Committee, along with details of the number of meetings attended by its members during the year are set out in the Directors Report of the 2021 Annual Report.

The Board will monitor the level of participation in the Committee as the Company grows and additional Directors are appointed to the Board.

The Board and Committee recognises that effective risk management is an essential element to good corporate governance and integral to the continued growth and success of the Company.

The Audit & Risk Committee is responsible for the Company's risk management framework. It sets the risk appetite and profile for management, reviewing and updating if required.

Management through the CEO is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Committee on the risk management and control environment on a regular basis.

The Committee in conjunction with the external auditors monitors the effectiveness of managements internal control and reporting system.

The risk framework of the Company is review annually and has been reviewed during the year.

Internal audit function

The Company has not implemented an internal audit function due the small size of its current operations. The Board believes that the Audit & Risk Committee and external auditors are able to monitor the effectiveness of the Company's control environment at this stage of the Company's development.

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Environmental or Social Sustainability

The Company is cognisant that the business community should address matters of environmental and social sustainability and the need to be transparent on these matters to enable investors to properly assess investment risk.

Given its size, the Company does not consider that it has any material exposure to environmental or social sustainability risks.

Principle 8: Remunerate fairly and responsibly.

Remuneration Committee

The responsibilities of a Remuneration Committee are carried out by the Remuneration & Nomination Committee. This Committee consists of only two independent non-executive directors due to the current size of the Board. The Chairman is Leath Nicholson.

The names, qualifications and experience of each member of the Committee, along with details of the number of meetings attended by its members during the year are set out in the Directors' Report of the 2021 Annual Report.

The Board will monitor the level of participation in the Committee as the Company grows and additional Directors are appointed to the Board.

The committee is responsible for giving due consideration to the overall remuneration policies and strategies of the Company during the conduct of its regular committee meetings. It is able draw on the expertise of external executive remuneration consultants if required.

Non-Executive Director & Executive Remuneration

The aggregate remuneration of non-executive Directors is approved by shareholders.

Individual Directors' remuneration is determined by the Board within the approved aggregate total. In determining the appropriate level of Director's fees, the Remuneration & Nomination Committee benchmarks data from other public companies of a similar size or market section to CT1.

Non-executive Directors of CT1 are:

- not entitled to participate in performance-based remuneration practices unless approved by shareholders.

- Currently remunerated by means of payment of cash benefits in the form of Directors' fees or alternatively by issue of securities in lieu of cash benefits provided it is approved by shareholders.

The Company does not currently have in place a retirement benefit scheme or allowance for its non- executive Directors, except for the payment of superannuation if applicable.

A review of the compensation arrangements for the Chief Executive Officer and Senior Executives is conducted annually by the Remuneration & Nomination Committee taking into consideration the performance of the individual executive, salary packages paid to executives in other public companies of a similar size or market section, market competitive rates and the results of the Company during the relevant period.

The objective of the Company's remuneration policy is not only to provide a salary package that properly reflects the person's duties and responsibilities, but to also attract, retain and motivate the executive to the highest possible quality and standard, enabling the organisation to succeed.

Shareholders have approved the operation of the Constellation Employee Share Option Plan (ESOP) which provides the Board with the discretion to grant equity to eligible Directors (subject to shareholder approval), executives and consultants for the purpose of incentivizing them and aligning their interests with those of shareholders.

The Board ensures that the payment of equity based executive remuneration is made in accordance with rules established in the ESOP and within the thresholds approved by shareholders under ASX Listing Rules.

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of remuneration paid each year (including components) is detailed in the Remuneration Report of the Annual Report and Notes to and forming part of the Financial Statements.

Hedging arrangements

Directors and Executives may not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the Company's securities.

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