



Pivotal Systems Corporation

ARBN 626 346 325 (the 'Company')

2021 Corporate Governance Statement

This Corporate Governance Statement (**Statement**) sets out the Company's compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Recommendations**) during the reporting period 1 January 2021 to 31 December 2021 (**Reporting Period**). The ASX Recommendations are not mandatory. However, the Company seeks to follow the ASX Recommendations to the extent that it is practicable having regard to the size and nature of its operations. This Statement sets out the extent to which the Company has followed the ASX Recommendations during the Reporting Period.

The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at <https://www.pivotalsys.com/investors>.

This Statement is current as at 30 March 2022 (Fremont PST), 31 March 2022 (Sydney AEDT) and has been approved by the Board.

Principles and Recommendations		Comply Yes / No	Explanation
1	Lay solid foundations for management and oversight		
1.1	Companies should have and disclose a board charter setting out: <ul style="list-style-type: none"> (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. 	Yes	The respective roles and responsibilities of the Board and management are defined under the Board Charter, a copy of which is available on the Company's website at https://www.pivotalsys.com/investors/#corpgov . There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon the Chief Executive Officer and certain other officers of the Company.
1.2	Companies should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and 	Yes	The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration and Nomination Committee Charter, a copy of which is available on the Company's website at https://www.pivotalsys.com/investors/#corpgov .

Principles and Recommendations	Comply Yes / No	Explanation
(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>The Remuneration and Nomination Committee is responsible for undertaking appropriate checks prior to appointment of a director or putting forward to shareholders a new candidate for election as a director. The checks undertaken may include checks in relation to the person's character, experience and qualifications, criminal history and bankruptcy.</p> <p>Under the Remuneration and Nomination Committee Charter, shareholders are required to be provided with all material information in the Committee's possession relevant to a decision on whether or not to elect or re-elect a director (including, biographical details, qualifications, a statement as to whether the Board supports the election of the director and the director's independence or otherwise and, details of any existing directorships). Such information will be provided in the relevant Notice of Meeting for election or re-election of such Director.</p> <p>There were no new director appointments made by the Board during the reporting period.</p>
1.3 Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has a written agreement in place with each director and senior executive, setting out the terms of their appointment.
1.4 The company secretary (or person nominated by the Board to perform the role of company secretary) should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	No	<p>The Company has not appointed a company secretary as it is not required to appoint a company secretary under Delaware General Corporation Law and applicable US law. The Company has engaged Company Matters Pty Ltd to provide company secretarial services, as and when requested by the Company from time-to-time, and to act as Pivotal's ASX Representative under ASX Listing Rule 12.6.</p> <p>The relevant person nominated by Company Matters Pty Ltd to perform the ASX Representative services, Danny Davies, reports directly to the Chair of the Board and is directly accountable to the Chair on all matters to do with the proper functioning of the board.</p>

Principles and Recommendations

**Comply
Yes / No**

Explanation

- 1.5 Companies should:
- (a) have and disclose a diversity policy;
 - (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
 - (c) disclose in relation to each reporting period:
 - (1) the measurable objectives set for that period to achieve gender diversity;
 - (2) the entity’s progress towards achieving those objectives; and
 - (3) either:
 - (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
 - (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.
 - (i) If the entity was in the S&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.

No - in relation to (b)
Yes – remainder of guidelines

The Company has adopted a Diversity Policy, a copy of which is available on the Company’s website at <https://www.pivotalys.com/investors/#corpgov>.

The Diversity Policy requires the Board to adopt measurable objectives to assist the Company to achieve gender diversity and to review the Company’s progress in achieving these objectives.

The Remuneration and Nomination Committee is responsible for recommending measurable objectives to the Board in light of the Company’s general selection policy for Personnel and to report to the Board each year on the effectiveness of the objectives and the Company’s progress towards achieving the objectives.

The Board has not currently set measurable diversity objectives due to the Company’s size and nature as it employs only 46 employees. The Company has a strong commitment to diversity and recognises the value of attracting and retaining personnel with different backgrounds, knowledge, experiences and abilities. Furthermore, the Company’s workforce includes employees from various cultural, ethnic, age and religious backgrounds. The Board will continue to regularly assess setting measurable objectives as it relates to gender diversity.

The respective proportions of men and women on the Board, in senior executive positions (defined as all senior executives that report directly to the CEO) and across the whole organisation are as follows:

	Male (%)	Female (%)
Board	100 (2020: 100)	0 (2020: 0)
Senior Executive	100 (2020: 100)	0 (2020: 0)
All Employees	76 (2020: 74)	24 (2020: 26)

The Company is not a “relevant employer” under the Workplace Gender Equality Act.

Principles and Recommendations	Comply Yes / No	Explanation
<p>1.6 Companies 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, in relation to each Reporting Period, whether a performance evaluation was undertaken in the Reporting Period in accordance with that process.</p>	No	<p>Under the Board Charter, the Board is responsible for:</p> <ul style="list-style-type: none"> at least once per year, with the advice and assistance of the Remuneration and Nomination Committee, reviewing and evaluating the performance of the Board, each Board Committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives (as applicable); following each review and evaluation, considering how to improve performance; and agreeing and setting the goals and objectives for the Board and its Committees each year and if necessary, amending the relevant charters, committees, policies or goals and objectives. <p>During the Reporting Period, the Board did not conduct a performance evaluation due to COVID-19 related disruptions, and active involvement exploring a NASDAQ listing and completing the rights offering, which impacted the Company's ability to efficiently conduct such evaluations. However, the Board is intending to conduct these performance evaluations in the coming financial year.</p>
<p>1.7 Companies 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, in relation to each Reporting Period, whether a performance evaluation was undertaken in the Reporting Period in accordance with that process.</p>	Yes	<p>Under the Board Charter, the Board is responsible for appointing, monitoring and managing the performance of the Company's executive directors and with the advice and assistance of the Remuneration and Nomination Committee, reviewing and approving the performance of the Company's senior executives.</p> <p>A performance evaluation of the senior executives was carried out including a formal full year assessment conducted by the Chief Executive Officer. The assessment criteria comprise the key performance indicators and organisational key results which are agreed at the beginning of the financial year and link into the Company's strategic objectives. The results of the performance assessment are reported to the Board through the Remuneration and Nomination Committee.</p>

Principles and Recommendations

**Comply
Yes / No**

Explanation

2 Structure the board to be effective and add value?

2.1 The board should:

(a) have a nomination committee which:

(i) has at least three members, a majority of whom are independent directors; and

(ii) is chaired by an Independent director, and disclose:

(iii) the charter of the committee;

(iv) the members of the committee; and

(v) 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

(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.

No in respect of 2.1(a)(i)

Yes in respect of other guidelines

The Board has established a Remuneration and Nomination Committee which is governed by a Remuneration and Nomination Committee Charter. The Charter is available on the Company's website at: <https://www.pivotalsys.com/investors>.

The Remuneration and Nomination Committee consists of four members, Peter McGregor (Chair), Ryan Benton, Kevin Landis and David Michael, all of whom are non-executive directors. Half of the Committee members, being Peter McGregor (Chair) and Ryan Benton, are considered by the Board to be independent directors. This means that the Committee is not comprised of a majority of independent directors. The Board is mindful of the recommendation that the Remuneration and Nomination Committee be comprised of a majority of members whom are independent directors and will continue to take this into consideration when considering future membership. Notwithstanding this, the Board is satisfied that the current composition of the Committee is appropriate for the Company's circumstances and that the Committee is able to discharge its mandate effectively.

Details as to the number of times the Board and Committees met and the individual attendances of the members at those meetings is set out below.

	Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Eligible	Attendance	Eligible	Attendance	Eligible	Attendance
John Hoffman	28	28	-	-	-	-
Joseph Monkowski	28	26	-	-	-	-

Principles and Recommendations		Comply Yes / No	Explanation																																								
			<table border="1"> <tr> <td>Ryan Benton</td> <td>28</td> <td>27</td> <td>4</td> <td>4</td> <td>3</td> <td>3</td> </tr> <tr> <td>Kevin Landis</td> <td>28</td> <td>24</td> <td>4</td> <td>4</td> <td>3</td> <td>2</td> </tr> <tr> <td>David Michael</td> <td>28</td> <td>28</td> <td>4</td> <td>4</td> <td>3</td> <td>3</td> </tr> <tr> <td>Peter McGregor</td> <td>28</td> <td>23</td> <td>4</td> <td>4</td> <td>3</td> <td>3</td> </tr> <tr> <td>Jason Korman</td> <td>2</td> <td>2</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </table>	Ryan Benton	28	27	4	4	3	3	Kevin Landis	28	24	4	4	3	2	David Michael	28	28	4	4	3	3	Peter McGregor	28	23	4	4	3	3	Jason Korman	2	2	-	-	-	-					
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2.2	Companies should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	<p>The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations to the Board regarding any changes to ensure a diverse range of candidates are selected and any gaps in the skill or experience of the Board are identified.</p> <p>The Company has not prepared a Board Skills Matrix but will continue to evaluate the adoption of such a matrix in light of the Company's growth and stage of development. The Company will disclose details of any board skills matrix adopted (if any) in either its future annual reports or subsequent corporate governance statements.</p>																																								
2.3	<p>Companies 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 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</p>	Yes	<p>The Company assesses the independence of its Directors against the criteria set out in the Board Charter which largely reflects the independence criteria set out in the ASX Recommendations.</p> <p>Director independence is initially assessed upon each Director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors are required to disclose all actual or potential conflicts of interest on an ongoing basis.</p>																																								

Principles and Recommendations	Comply Yes / No	Explanation
<p>interest, position, association 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>Ryan Benton and Peter McGregor are the only directors considered by the Board to be independent.</p> <p>John Hoffman is not considered to be independent due to his executive role as CEO with the Company.</p> <p>Dr. Joseph Monkowski is not considered independent due to his executive role as Chief Technology Officer with the Company.</p> <p>Kevin Landis is not considered independent due to his position as the CEO and CIO of Firsthand Capital Management, the investment adviser to Firsthand Technology Value Fund, Inc (Firsthand), which is a substantial shareholder of the Company. Kevin Landis is also the nominee director of Firsthand appointed to the Pivotal Board.</p> <p>David Michael is not considered independent due to his position as the Managing Partner of Anzu Partners, an investment partnership which is a substantial shareholder of the Company. In addition, in the three years prior to the Company listing on the ASX, David Michael was a nominee director of Anzu Partners appointed to the Pivotal Board.</p> <p>Jason Korman is not considered independent due his position as a Partner at Viburnum Funds, an Australian-based active ownership investment management firm and a major shareholder of Pivotal with a 20.23% stake in the Company.</p> <p>The length of service of each Director on the Board is as follows:</p> <ul style="list-style-type: none"> ▪ John Hoffman: 30 May 2008 - present ▪ Dr. Joseph Monkowski: 29 October 2003 - present ▪ Ryan Benton: 24 September 2015 - present ▪ Kevin Landis: 27 November 2012 - – present ▪ David Michael: 14 November 2016 – present ▪ Peter McGregor: 23 August 2018 – present ▪ Jason Korman: 6 December 2021 – present

Principles and Recommendations	Comply Yes / No	Explanation
2.4 A majority of the board should be independent directors	No	<p>The Company has seven directors and only two are considered by the Board to be independent.</p> <p>Whilst the Board does not have a majority of independent directors as recommended in the ASX Recommendations, as Messrs Landis, Michael and Korman have been assessed as not being independent, as this is due to the connections with substantial shareholders in the Company, the Board believes that no individual or group of individuals dominates the Board's decision making and that the Board as a whole is not hindered in its ability to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.</p> <p>The Board is mindful of the recommendation that a majority of the Board should be independent directors and will continue to take this into consideration when considering the future nomination, election or re-election of directors to the Board.</p>
2.5 The chair of the board should be an independent director and, in particular, should not be the same person as the CEO.	No	<p>The Chairman of the Board is John Hoffman. John Hoffman is not considered to be an independent director.</p> <p>The role of CEO is also held by John Hoffman.</p> <p>The Board is mindful of the recommendation that the chair of the Board should be an independent director and should not be the same person as the CEO. The Board will continue to take this into consideration when considering the future nomination of the Chair of the Board. However, the Board believes John Hoffman's exercise of these two roles is appropriate for the Company's business and circumstances and is in the best interests of shareholders as a whole.</p>
2.6 Companies should have a program for inducting new directors and 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	<p>The Company's Remuneration and Nomination Committee is responsible for establishing and facilitating an induction program for new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board. No new directors were appointed during the Reporting Period.</p>

Principles and Recommendations	Comply Yes / No	Explanation
		The Company's Remuneration and Nomination Committee is also responsible for critically reviewing the skills, performance and effectiveness of the Board, its committees and its individual members and providing directors with access to continuing education for the purpose of updating and maintaining their skills and knowledge. This may include inviting directors to hear from external consultants and industry professionals on matters that may assist the Board.
3 Instil a culture of acting lawfully, ethically and responsibly		
3.1 Companies should articulate and disclose their values.	Yes	The Company's values are set out in the Company's Code of Conduct which is available on the Company's website at https://www.pivotalys.com/investors .
3.2 Companies 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.	Yes	The Company has adopted a Code of Conduct which applies to all directors, officers and employees of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Recommendations and relevant ASX Listing Rules and is available on the Company's website at https://www.pivotalys.com/investors/ Any material breaches of the Code of Conduct, including any material anti-bribery and corruption incidents are reported to the Board or the Audit & Risk Management Committee (as applicable).
3.3 Companies 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	The Company has adopted a Whistleblower Policy which has been uploaded to the Company's website at https://www.pivotalys.com/investors/ The policy provides that the Board or a committee of the Board is informed of any material incidents reports under the policy.
3.4 Companies should: (a) have and disclose an anti-bribery and corruption policy; and	Yes	Pivotal is committed to conducting its business in all jurisdictions where the Company operates in an honest and ethical manner, and complying with and upholding all laws against bribery, corruption and related conduct. Pivotal

Principles and Recommendations	Comply Yes / No	Explanation
(b) ensure that the board or committee of the board is informed of any material breaches of that policy.		<p>has a strict policy not to offer secret commissions or bribes to further its business interests. It is strictly prohibited to make bribes or give illegal or other improper payments to government or public officials of any country.</p> <p>Pivotal's approach to anti-bribery and corruption is included in its Code of Conduct which establishes an internal reporting system for any breaches or suspected breaches of this policy, and has been uploaded to the Company's website at https://www.pivotalsys.com/investors</p> <p>Any material breaches of the Anti-Bribery and Corruption Policy are reported to the Board or the Audit & Risk Management Committee (as applicable).</p>
4 Safeguard the integrity of corporate reports		
<p>4.1 The board should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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>No in respect of 4.1(a)(i)</p> <p>Yes in respect of other guidelines</p>	<p>The Company has established an Audit and Risk Management Committee which is governed by an Audit and Risk Management Committee Charter, a copy of which is available on the Company's website at https://www.pivotalsys.com/investors/</p> <p>The Audit and Risk Management Committee consists of four members, Ryan Benton (Chair), Peter McGregor, Kevin Landis, and David Michael. All members of the Committee are non-executive directors.</p> <p>Half of the Committee, being Peter McGregor and Ryan Benton (Chair), are considered to be independent directors. Mr Benton is not the chairman of the Board.</p> <p>Whilst a majority of the members of the Audit and Risk Management Committee are not independent directors, the Board believes that the composition and skills of the members of the Audit and Risk Management Committee are appropriate for the Company and that the Committee is able to discharge its mandate effectively.</p> <p>Details as to the relevant qualifications and experience of the members of the Committee are set out in the Directors' Report, which forms part of the Company's Annual Report.</p>

Principles and Recommendations	Comply Yes / No	Explanation
(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.		Details as to the number of times the Audit and Risk Management Committee met and the individual attendances of the members at those meetings is set out at Item 2.1.
4.2 The board 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.	Yes	<p>Prior to the Board approving the Company's financial statements, the Board ensures that it receives from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained, 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>The Company obtained the required declarations from the CEO and CFO prior to the approval of the 2021 half year and annual financial statements.</p>
4.3 A Company 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.	Yes	<p>The process Pivotal uses to verify the content of any periodic corporate report issued from 1 January 2021 that is not audited or reviewed by an independent auditor (such as the Directors' Report, quarterly reports, this Corporate Governance Statement and investor presentations) that is released to the market, varies depending on the nature of the report, but typically includes:</p> <ul style="list-style-type: none"> • non-financial components of the report are initially prepared by the CFO or other expert external advisers (such as legal and governance), based on matters as known to them; • financial components of the report are initially prepared by the CFO, based on first-hand information as to Pivotal's financial position; • the initial drafts are prepared with assistance from legal, governance, finance and other expert advisers (as appropriate to the subject matter); • each of the individuals engaged in the preparation or commentary on the initial draft is a professional with duties to identify any material that

Principles and Recommendations	Comply Yes / No	Explanation	
		<p>is potentially misleading, having regard to their knowledge of Pivotal's activities and position;</p> <ul style="list-style-type: none"> • all sections of the report are then confirmed as either: <ul style="list-style-type: none"> ○ verified first-hand knowledge of the person preparing the report; or ○ supported by evidence (such as an original document or confirmation from another person with appropriate first-hand knowledge and accountability); • the whole of each report (or group of reports released together) is subject to a preliminary review by each of the CEO, CFO and/or the legal advisors as appropriate; 	
5		Make timely and balanced disclosure	
5.1	Companies should have and disclose a written policy for complying with their continuous disclosure obligations under listing rule 3.1.	Yes	<p>The Company is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations.</p> <p>The Company has adopted a written policy to ensure compliance with its continuous disclosure obligations under the Listing Rules. A copy of the Company's Continuous Disclosure Policy is available on its website at https://www.pivotalsys.com/investors.</p> <p>The Company has appointed its CEO as the reporting officer to streamline day-to-day compliance with continuous disclosure obligations and its local agent (Company Matters Pty Ltd) as the ASX liaison officer, being the person responsible for communicating with the ASX. However, the Board retains ultimate responsibility for compliance with the Company's continuous disclosure obligations.</p>

Principles and Recommendations	Comply Yes / No	Explanation
5.2 A company should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	As part of normal Board processes and in accordance with the procedures set out in the Company's Continuous Disclosure Policy, each of the Directors receive copies of all material market announcements promptly after they have been made to ensure timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosures.
5.3 A company 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	Pivotal is committed to the equality of information among investors and ensures that a copy of any new or substantive investor or analyst presentation is released on the ASX Markets Announcement Platform ahead of the presentation. Refer also to the Company's Continuous Disclosure Policy at https://www.pivotalsys.com/investors/
6 Respect the rights of security holders		
6.1 Companies should provide information about itself and its governance to investors via its website.	Yes	<p>The Company provides investors with access to comprehensive information about itself and its governance on its website at https://www.pivotalsys.com/investors, including copies of the Company's Certificate of Incorporation and Bylaws, Board and Committee charters and key corporate governance policies, copies of all ASX announcements, briefings and presentations made to the market, analysts or the media, the Company's annual reports and notices of shareholder meetings. Further details are set out in the Company's Shareholder Communications Policy which is available on the Company's website.</p> <p>Investors can subscribe for email alerts regarding news and announcements.</p>
6.2 Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	<p>The Company has engaged an investor relations adviser to assist with the Company's investor relations program and ensure that the Company has effective two-way communication with investors.</p> <p>The Company has adopted a Shareholder Communications Policy setting out the ways in which the Company communicates with shareholders, a copy of</p>

Principles and Recommendations	Comply Yes / No	Explanation
		<p>which is available on the Company's website at: https://www.pivotalsys.com/investors</p> <p>The Company seeks to utilise numerous modes of communication, including electronic communication to facilitate effective two-way communication with shareholders.</p>
<p>6.3 Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Yes</p>	<p>All shareholders and CDI holders are invited to attend the Company's general meetings either in person or by representative. Shareholders have an opportunity to submit questions to the Board or the Company's external auditor.</p> <p>Shareholders and CDI holders who are unable to attend general meetings in person are encouraged to participate by completing either their proxy form or CDI voting form which is included with the notice of general meeting and returning it to the Company in the manner as specified within the notice of meeting.</p>
<p>6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.</p>	<p>Yes</p>	<p>The Company ensures that all substantive resolutions at meetings of security holders are decided by poll, which is also provided for in the Company's Shareholder Communication Policy.</p>
<p>6.5 Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically</p>	<p>Yes</p>	<p>The Company gives security holders the option to receive and send communications electronically. Shareholders and CDI holders who wish to elect to receive communications electronically should contact the Company's respective share or CDI registry.</p> <p>The Company encourages shareholders and CDI holders to submit questions or requests for information directly to the Company via the Company's website at www.pivotalsys.com/investors. Investors can contact the Company via email or phone using the details provided in the 'Contact Us' section of the Company's website or by email to the Company's Investor Relations' adviser, Nemean Group, via the Investor section of the Company's website. Investors can also subscribe for email alerts regarding news and announcements via the Investor section of the Company's website.</p>

Principles and Recommendations	Comply Yes / No	Explanation
7	Recognise and manage risk	
<p>7.1 Companies should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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>No in respect of 7.1(a)(i)</p> <p>Yes in respect of other guidelines</p>	<p>The Board has established an Audit and Risk Management Committee whose responsibilities include implementing, reviewing and supervising the Company's risk management framework. The Audit and Risk Management Committee is governed by the Audit and Risk Management Committee Charter, a copy of which is available on the Company' website, https://www.pivotalsys.com/investors.</p> <p>The Company has clearly defined the responsibility and authority of the Board to oversee and manage the risk management program while conferring responsibility and authority on the Audit and Risk Management Committee to develop and maintain the risk management program in light of the day-to-day needs of the Company.</p> <p>In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy which outlines the risk management program implemented by the Company to ensure appropriate risk management within its systems and culture.</p> <p>The Audit and Risk Management Committee is responsible for:</p> <ul style="list-style-type: none"> • considering the overall risk management framework and annually reviewing its effectiveness in meeting sound corporate governance principles; • keeping the Board informed of all significant business risks; • reviewing with management the adequacy of the Company's systems for identifying, managing and monitoring the key risks to the Company; • obtaining reports from management on the status of any key risk exposures or incidents; • reviewing the adequacy of the Company's process for managing risk and providing a recommendation to the Board regarding the same; • reviewing any incident involving any breakdown of the Company's risk management framework in accordance with the Company's Risk Management Policy; and

Principles and Recommendations	Comply Yes / No	Explanation
		<ul style="list-style-type: none"> providing regular reports to the Board about Committee activities, issues and related recommendations. <p>The composition and members of the Audit & Risk Management Committee as well as the number of meetings held and attendances are set out under Recommendations 2.1 and 4.1.</p> <p>Details as to the relevant qualifications and experience of the members of the Committee are set out in the Directors' Report, which forms part of the Company's 2021 Annual Report.</p> <p>A copy of the Company's Risk Management Policy is available on the Company's website at https://www.pivotal.com/investors</p>
<p>7.2 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; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>The Audit and Risk Management Committee will annually review the effectiveness of the Company's risk management framework in meeting sound corporate governance principles. The Committee also considers and determines whether Pivotal is operating with due regard to the risk appetite set by the Board, and effectively identifies all areas of potential risk.</p> <p>The division of responsibility between the Board, Audit and Risk Management Committee and management aims to ensure that specific responsibilities for risk management are clearly communicated and understood.</p> <p>The Audit and Risk Management Committee Charter and Risk Management Policy provide for regular reporting to the Board which supplements the Company's quality system, complaint handling processes and standard operating procedures which are all designed to address various forms of risks.</p> <p>During 2021, the Company assessed financial and operational risks and responded quickly. The Company continued monitoring direct cost escalations and their impact on overall profit margins, intervening and renegotiating, where necessary,</p>

Principles and Recommendations		Comply Yes / No	Explanation
			As a result of COVID, the Board reviewed and evaluated all elements of the Company's business continuity planning and undertook a formal risk management framework review in 2021.
7.3	<p>Companies 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 risk management and internal control processes</p>	Yes	<p>Due to the Company's current size and business circumstances, the Company does not have an internal audit function. The Company will reconsider this decision as appropriate and appoint an internal auditor if, and when, the Company considers this necessary.</p> <p>Under the Audit and Risk Management Committee Charter, the Audit and Risk Management Committee is responsible for monitoring corporate risk assessment and internal controls, reviewing the effectiveness of the Company's internal controls, reviewing the scope of the external auditor's review of internal controls and reviewing on an ongoing basis the Company's need to establish an internal audit function and appoint an internal auditor.</p>
7.4	Companies 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.	Yes	The Company does not consider that it has any material exposure to environmental or social risks. Economic and financial risks applicable to Pivotal are set out in the Company's Prospectus dated 22 June 2018 as well as in the notes to the financial statements included in the Company's 2021 Annual Report.
8	Remunerate fairly and responsibly		
8.1	<p>Companies should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p>	<p>No in respect of 8.1(a)(i)</p> <p>Yes in respect of other guidelines</p>	<p>The Company has a Remuneration and Nomination Committee, which is governed by a Remuneration and Nomination Committee Charter.</p> <p>A copy of the Remuneration and Nomination Committee Charter is available on the website at https://www.pivotalsys.com/investors</p> <p>The composition and members of the Remuneration and Nomination Committee as well as the number of meetings held and attendances are set out under Recommendation 2.1.</p>

Principles and Recommendations	Comply Yes / No	Explanation
<ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>(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>Details as to the relevant qualifications and experience of the members of the Committee are set out in the Directors' Report, which forms part of the Company's 2021 Annual Report.</p>
<p>8.2 Companies 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 Remuneration and Nomination Committee is responsible for assisting the Board with setting and reviewing the policies and practices of the Company regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives, separately.</p> <p>The Company's 2021 Annual Report discloses the components of the remuneration of the Company's non-executive directors and executive directors.</p>
<p>8.3 A company which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (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 (b) disclose that policy or a summary of it. 	Yes	<p>The Company has adopted a Securities Trading Policy which provides that participants must not, without prior written approval by the relevant person specified in the Policy, engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities.</p> <p>A copy of the Securities Trading Policy is available on the Company's website at https://www.pivotalsys.com/investors</p>

Principles and Recommendations		Comply Yes / No	Explanation
9	Additional recommendations that apply only in certain circumstances		
9.1	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Yes	The Company is mindful that whilst its Board and operations may be based in the United States, it has a large investor base in Australia. Given this, it seeks to hold shareholder meetings, namely its AGM and shareholder updates, at times and locations (including via video link or dial in) that are appropriate for Australian investors to attend. Refer also to the Company's Shareholder Communication Policy.
9.2	A listed entity established outside Australia 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.	Yes	The Company ensures that its external auditor is in attendance at its AGMs and is available to answer questions. Refer also to the Company's Shareholder Communication Policy.