

26 February 2021

The Manager
Markets Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Appendix 4G and Corporate Governance Statement for the year ended 31 December 2020

Pivotal Systems Corporation (“Pivotal” or the “Company”) (ASX: PVS) attaches the following documents in relation to the year ended 31 December 2020.

1. Appendix 4G; and
2. Corporate Governance Statement.

This release has been authorised by the Pivotal Board of Directors.

Yours faithfully



Danny Davies
ASX Representative
Encl.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Pivotal Systems Corporation

ABN/ARBN

626 346 325

Financial year ended:

31 December 2020

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website: <https://www.pivotalsys.com/investors/>

The Corporate Governance Statement is accurate and up to date as at 25 February 2021 (Freemont PST), 26 February 2021 (Sydney AEDT) and has been approved by the board.

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

Date: 25 February 2021 (Freemont PST), 26 February 2021 (Sydney AEDT)

Name of authorised officer authorising lodgement: John Hoffman (Director)

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

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

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

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

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

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

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

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

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.pivotalys.com/investors/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> and in the 2020 Annual Report located at https://www.pivotalys.com/investors/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our code of conduct at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy our code of conduct at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy our code of conduct at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify — and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.pivotalsys.com/investors/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> and in the 2020 Annual Report located at https://www.pivotalsys.com/investors/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.pivotalsys.com/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.pivotalsys.com/investors/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> and in the 2020 Annual Report located at https://www.pivotalsys.com/investors/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.pivotalsys.com/investors/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> and in the 2020 Annual Report located at https://www.pivotalsys.com/investors/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<input checked="" type="checkbox"/>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: https://www.pivotalsys.com/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Pivotal Systems Corporation

ARBN 626 346 325 (the 'Company')

2020 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 2020 to 31 December 2020 (**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 www.pivotalsys.com/investors/.

This Statement is current as at 25 February 2021 (Freemont PST), 26 February 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 www.pivotalsys.com/investors/ . 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	<p>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 www.pivotalsys.com/investors/.</p> <p>The Remuneration and Nomination Committee is responsible for undertaking</p>

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>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>
1.5	Companies should:	No - in relation to	The Company has adopted a Diversity Policy, a copy of which is

Principles and Recommendations	Comply Yes / No	Explanation												
<p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>(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.</p>	<p>(b)</p> <p>Yes – remainder of guidelines</p>	<p>available on the Company's website at www.pivotalsys.com/investors/.</p> <p>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.</p> <p>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.</p> <p>The Board has not currently set measurable diversity objectives due to the Company's size and nature as it employs only 47 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.</p> <p>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:</p> <table border="1" data-bbox="1167 986 1912 1121"> <thead> <tr> <th></th><th>Male (%)</th><th>Female (%)</th></tr> </thead> <tbody> <tr> <td>Board</td><td>100 (2019: 100)</td><td>0 (2019: 0)</td></tr> <tr> <td>Senior Executive</td><td>100(2019: 100)</td><td>0(2019: 0)</td></tr> <tr> <td>All Employees</td><td>74 (2019: 82)</td><td>26 (2019: 18)</td></tr> </tbody> </table> <p>The Company is not a "relevant employer" under the Workplace Gender Equality Act.</p>		Male (%)	Female (%)	Board	100 (2019: 100)	0 (2019: 0)	Senior Executive	100(2019: 100)	0(2019: 0)	All Employees	74 (2019: 82)	26 (2019: 18)
	Male (%)	Female (%)												
Board	100 (2019: 100)	0 (2019: 0)												
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All Employees	74 (2019: 82)	26 (2019: 18)												
<p>1.6 Companies should:</p> <p>(a) have and disclose a process for periodically evaluating</p>	<p>No</p>	<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 												

Principles and Recommendations		Comply Yes / No	Explanation
	<p>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>		<p>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);</p> <ul style="list-style-type: none"> • 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 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>
1.7	<p>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>
2	Structure the board to be effective and add value?		
2.1	The board should:	No in respect of	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

Principles and Recommendations		Comply Yes / No	Explanation																																										
	(a) have a nomination committee which:	2.1(a)(i)	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.																																										
	(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	Yes in respect of other guidelines																																											
	(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.		<table><tr><th></th><th colspan="2">Board of Directors</th><th colspan="2">Audit & Risk Management Committee</th><th colspan="2">Remuneration & Nomination Committee</th></tr><tr><th></th><th>Eligible</th><th>Attendance</th><th>Eligible</th><th>Attendance</th><th>Eligible</th><th>Attendance</th></tr><tr><td>John Hoffman</td><td>18</td><td>18</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Joseph Monkowski</td><td>18</td><td>18</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Ryan Benton</td><td>18</td><td>18</td><td>5</td><td>5</td><td>3</td><td>3</td></tr><tr><td>Kevin Landis</td><td>18</td><td>17</td><td>5</td><td>5</td><td>3</td><td>3</td></tr></table>		Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee			Eligible	Attendance	Eligible	Attendance	Eligible	Attendance	John Hoffman	18	18	-	-	-	-	Joseph Monkowski	18	18	-	-	-	-	Ryan Benton	18	18	5	5	3	3	Kevin Landis	18	17	5	5	3	3
	Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee																																								
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Principles and Recommendations		Comply Yes / No	Explanation														
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David Michael	18	18	5	5	3	3											
Peter McGregor	18	18	5	5	3	3											
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 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>	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> <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</p>														

Principles and Recommendations		Comply Yes / No	Explanation
			<p>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>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
2.4	A majority of the board should be independent directors	No	<p>The Company has six 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 and Michael 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</p>

Principles and Recommendations		Comply Yes / No	Explanation
			of directors to the Board.
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 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> <p>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 hear from external consultants and industry professionals on matters that may assist the Board.</p>
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 www.pivotalsys.com/investors/ .

Principles and Recommendations		Comply Yes / No	Explanation
3.2	<p>Companies should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Yes	<p>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 www.pivotalsys.com/investors/.</p> <p>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).</p>
3.3	<p>Companies should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company has adopted a Whistleblower Policy which has been uploaded to the Company's website at www.pivotalsys.com/investors/.</p> <p>The policy provides that the Board or a committee of the Board is informed of any material incidents reports under the policy.</p>
3.4	<p>Companies should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	Yes	<p>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 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 broad terms in its Code of Conduct. The Code of Conduct is then augmented by a separate Anti-Bribery and Corruption Policy, which in turn supports the Code of Conduct. The Anti-Bribery and Corruption Policy establishes an internal reporting system for any breaches or suspected breaches of this policy. Together with the Whistleblower Policy, these policies provide internal and external channels through which actual or suspected or alleged breaches may be reported in a safe and confidential manner. The Anti-Bribery and Corruption Policy and Code of Conduct can be found on the Company's website at www.pivotalsys.com/investors/.</p> <p>Any material breaches of the Anti-Bribery and Corruption Policy or Code of Conduct are reported to the Board or the Audit & Risk Management</p>

Principles and Recommendations		Comply Yes / No	Explanation
			Committee (as applicable).
4	Safeguard the integrity of corporate reports		
4.1	<p>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>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>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 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 2020 Company's Annual Report.</p> <p>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.</p>
4.2	The board should, before it approves the entity's financial	Yes	Prior to the Board approving the Company's financial statements, the Board

Principles and Recommendations	Comply Yes / No	Explanation
statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		<p>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 2020 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 2020 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 is potentially misleading, having regard to their knowledge of Pivotal's activities and position; • 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

Principles and Recommendations		Comply Yes / No	Explanation
			<ul style="list-style-type: none"> o 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 Company Secretary, 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 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>
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	Yes	Pivotal is committed to the equality of information among investors and

Principles and Recommendations		Comply Yes / No	Explanation
	analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.		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 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 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 which is available on the Company's website at: 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>
6.3	Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	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.

Principles and Recommendations		Comply Yes / No	Explanation
			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.
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.	Yes	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.
6.5	Companies should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Yes	<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>
7	Recognise and manage risk		
7.1	Companies should:	No in respect of 7.1(a)(i)	<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's website, 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</p>
	(a) have a committee or committees to oversee risk, each of which:	Yes in respect of other guidelines	
	(i) has at least three members, a majority of whom are independent directors; and		
	(ii) is chaired by an independent director,		

Principles and Recommendations	Comply Yes / No	Explanation
<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>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 • 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 2020 Annual Report.</p>

Principles and Recommendations		Comply Yes / No	Explanation
			A copy of the Company's Risk Management Policy is available on the Company's website at www.pivotalsys.com/investors/ .
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and; 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 2020, 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> <p>As a result of COVID, the Board reviewed and evaluated all elements of the Company's business continuity planning and plans to undertake a formal risk management framework review in FY21.</p>
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</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</p>

Principles and Recommendations		Comply Yes / No	Explanation
	management and internal control processes		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.
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 2020 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>(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 remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors</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 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. 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 2020 Annual Report.</p>

Principles and Recommendations		Comply Yes / No	Explanation
	and senior executives and ensuring that such remuneration is appropriate and not excessive.		
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.	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 2020 Annual Report discloses the components of the remuneration of the Company's non-executive directors and executive directors.</p>
8.3	<p>A company which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company 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 www.pivotalsys.com/investors/.</p>
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	Yes	The Company ensures that its external auditor is in attendance at its AGMs and is available to answer questions. Refer also the Company's Shareholder Communication Policy.

Principles and Recommendations	Comply Yes / No	Explanation

to the audit.