

PIVOT TREE

Board Charter Management Document

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1 PURPOSE

This charter sets out the structure, processes, role, and responsibilities of the board of directors of Pivotree Pty Ltd (Pivotree). The board commits to discharging the responsibilities set out in this charter honestly, fairly and diligently, in accordance with the law, the code of conduct, and for the benefit of shareholders and society.

This charter is the overarching company policy document, that:

- serves to remind the board of the legal framework within which it operates
- documents the policies the board has decided on to meet its legal and other responsibilities
- assists the corporation's leadership in delivering good governance
- communicates the board's policies and expectations to management
- sets out the functions and responsibilities of the board and management
- serves as an induction tool for new directors and senior managers
- encourages the board to focus on how they it continuously improve its governance processes for the organisation's benefit
- provides a framework for discussing 'hard-to-mention' governance issues, and
- serves as a team development vehicle for the board and the senior management team, helping to clarify roles and expectations.

1.1 REFERENCES

1.1.1 CODES AND STANDARDS

Ref	Document	Doc. Number
[Ref 1]	Commonwealth Corporations Act 2001	[Link]
[Ref 2]	ASX CGC Corporate Governance Principles and Recommendations 2019 (4 th ed.)	[Link]

1.1.2 PIVOTREE DOCUMENTS AND FORMS

Ref	Document	Doc. Number
[Ref 3]	Risk Management Framework	COR-PHI-00008.0
[Ref 4]	Recruitment Inclusivity & Diversity Policy	COR-POL-00007.0
[Ref 5]	Board Calendar	COR-PLN-00016.0



2 GOVERNANCE ROLES

2.1 ROLE OF THE BOARD

The role of the Pivotree board is to ensure that the company captures value for its shareholders, providing benefit to society from its activities, and does so in accordance with laws, regulations, rules and the interests of stakeholders.

2.2 COMPOSITION

As per the company's constitution, the board can be comprised of any number of directors. The appointment of directors shall be undertaken with due regard for the organisation's Recruitment Inclusivity & Diversity Policy [Ref 4].

2.3 ROLE OF INDIVIDUAL DIRECTORS

The current directors and executives of Pivotree are as follows:

- Gavin Ryan (Non-Executive Chairman)
- Christopher Merrick (Managing Director)
- Marcus Christian (Executive Director)
- Martin Blake (Non-Executive Director)
- Steve Neubecker (Non-Executive Director)

2.4 ROLE OF THE CHAIR

The Chairman is responsible for leading the board and focusing it on strategic matters, overseeing the company's business and setting high governance standards. The Chairman plays a pivotal role in fostering the effectiveness of the board and individual directors, both inside and outside the board room.

2.5 ROLE OF THE MANAGING DIRECTOR/CEO

The managing director/CEO is the chief executive officer who is also legally a director of the board to which the position reports in a managerial capacity. Specific roles of the MD/CEO include:

- Articulating the Vision and Values of the company
- Setting standards of Behaviour and Culture
- Strategy and Planning
- Capital Raising / Financing
- Financial and physical resources management
- Human resource management
- Providing a link between the staff and the board
- Representing the organisation
- Board meeting roles.

3 KEY BOARD FUNCTIONS

3.1 STRATEGY AND PLANNING

Strategy development may be shared between the board and management, but planning and implementing the strategic objectives is the role of the MD/CEO. The board will monitor the plan, that the plan will advance the organisation towards its strategic goals and that implementation of the plan delivers the desired results.

It is the board's responsibility to understand, test and endorse the company's strategy. In monitoring performance, the board needs to measure management proposals by reference to the endorsed strategy, with any deviations being challenged and explained.

3.2 THE BOARD AND THE MANAGING DIRECTOR/CEO

The board and the managing director/CEO share responsibility for leadership of the company, but they fulfil their obligations in different ways. The board has ultimate power (including the appointment of the MD/CEO) and carries most of the legal responsibility for the corporate actions whereas, the MD/CEO exerts management power directly to effect outcomes in support of company strategy.

The role of the board is to govern, and the role of the MD/CEO is to execute.

A good relationship between the board and the MD/CEO is essential for good governance. Board members need to have confidence that the MD/CEO is in control of all operational issues so that the board's overarching role of ensuring the long-term success of the company is not compromised.

3.3 MONITORING

A board's monitoring role requires directors to make appropriate enquiries about the risk framework and test that it is adequate without taking over management's role of implementing the framework.

The Board Papers should focus on the progress of actions against the organisation's agreed strategic plan, to ensure it is progressing. The MD/CEO should alert the board to major strategic matters it will need to address in the future. The board can then let management know what information it will require to make decisions when the matters are formally presented to the board.

3.4 RISK MANAGEMENT

Due to its current size and scope, Pivotree does not have a risk committee. The full board monitors risk management as a standing agenda item to maintain oversight of any action, agreement, or decision to ensure there is an acceptable risk outcome for the company. The board may request formal decision analysis to be presented where the residual risk to the company remains high.

Refer to the Risk Management Framework [Ref 3]. for details of the risk assessment, controls, and the various treatment options.

3.5 COMPLIANCE

The board oversees compliance with relevant laws, regulations, and internal policies. This can be done by:

- Seeking independent review of proposed decisions
- Maintaining integrity of internal and external audit processes
- Seeking independent legal advice where necessary, and
- Establishing robust systems for reporting and investigating misconduct.

The MD/CEO shall report quarterly on communication and compliance with internal policies.

3.6 POLICY FRAMEWORK

Pivotree has a framework of Policies identifying the values that should underpin all operations in the company. The company Policies are backed up by a system of management documents (guidelines, procedures, and frameworks) that detail how specific operations are to be conducted.

3.7 STAKEHOLDER COMMUNICATION

Pivotree provides information about itself and its governance to stakeholders via its website:

<https://www.Pivotree.com.au>.

Regular informal updates are provided to investors for milestone events and actions of general interest.

An annual communication note is generated and sent with the financial statements to all investors.



4 IMPROVING BOARD PROCESSES

4.1 BOARD MEETINGS

Board meetings are to be held monthly, at Unit 4/21 Roydhouse Street Subiaco, WA, 6008 with a planned duration of two hours.

4.2 BOARD MEETING AGENDA

The board meeting shall report on the status of the company and the incremental progress towards strategic goals. Each board meeting agenda shall have the following headings:

1. Corporate
 - i) Directors' obligations & rights
 - ii) Changes to state of affairs
 - iii) Actual & likely developments
 - iv) Proceedings on behalf of the company
2. Financial
 - i) Capital raising
 - ii) Grant funding
 - iii) Tax
 - iv) Financial position
 - v) Liabilities & planned expenditure
 - vi) Dividends
3. Commercial & operational
 - i) Customers
 - ii) Partners
 - iii) Marketing
4. Operational
 - i) Technical program
 - ii) Procurement
 - iii) Intellectual property
5. Action Review

4.3 BOARD PAPERS

Board Papers shall be prepared and circulated to the board for review a minimum of seven days prior to the board meeting. The board papers shall include a report (with headings as per the Board Meeting Agenda) and the monthly financial statements.

4.4 BOARD CALENDAR

The board calendar is set on an annual basis and documented in the Board Calendar [Ref 5] in the corporate cloud file storage system.



5 BOARD EFFECTIVENESS

5.1 DIRECTOR PROTECTION

Pivotree does not carry Directors Liability Insurance.

5.2 BOARD EVALUATION

Board evaluation shall be conducted on an annual basis. Evaluation shall consider:

- Strategy, risk and financial performance
- Board composition and structure
- Company integrity, reputation and culture
- Management performance and succession planning
- Observations relevant to board dynamics, operations, structure, performance and composition
- Company culture, performance, business environment conditions and strategy
- Investor and stakeholder engagement on board composition, performance and oversight.

An external third-party consultancy may be employed to provide independent evaluation of the board.

5.3 REMUNERATION STRUCTURE

Due to its current size and scope, Pivotree does not have a remuneration committee. Individual executive agreements are reviewed and agreed by the board, and a director remuneration plan has been implemented appropriate to the scale of the company and the workload associated with the various director roles.

Executive remuneration incorporates at-risk, equity-based components tied to the achievement of KPIs set by the board to incentivise the executives and provide strategic alignment.

The directors and executives are entitled to be reimbursed for all expenses reasonably and appropriately incurred by them in performing their roles.

5.4 DIRECTOR SELECTION

Directors may be changed from time to time as the need for specific capabilities changes.

The appointment of directors shall be undertaken with due regard for the organisation's Recruitment Inclusivity & Diversity Policy [Ref 4].

5.5 DIRECTOR INDUCTION

Incoming directors will be inducted by the board and management. Inductions will cover:

- The current state of projects, assets, operations, and activities, and
- The state of the Company's finances, resources, cash, and commitments.

5.6 DIRECTOR DEVELOPMENT

Directors are encouraged to undertake and record professional development activities. The objectives of these activities may encompass:

- Development of management or technical knowledge and skills
- Broadening of management or technical knowledge and skills into parallel fields
- Acquisition of non-technical knowledge and skills, e.g., Management techniques, Communication skills, Law (Health & Safety, Environmental, Employment), Finance, or Governance, in preparation for wider or greater responsibilities when the opportunities arise.

Pivotree will consider, where relevant to the objectives of the business, requests for financial support for professional development activities.