

PIVOT TREE

Corporate Governance Statement Management Document

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1 PURPOSE

Pivotree Pty Ltd (**Pivotree**) exists to develop and commercialise the unique Pivotree Harvester technology for use in the offshore oil & gas and carbon capture and storage industries.

We operate in accordance with the laws, rules, and regulations in Australia. The board works within the requirements of the Corporations Act (2001) and has defined policies that detail the high standards expected of everyone in the company.

Our values of being bold, ambitious, and creative must not impact the safety of our people, cause unavoidable harm to the environment, or damage to our assets or those of the companies alongside which we operate. Our plans, decisions, and actions shall be subject to risk review and decision analysis prior to execution to ensure the ongoing success and viability of the Pivotree organisation.

1.1 MISSION

Our mission is to unlock production from stranded oil fields globally by commercialising our patent-pending small oilfield production system. Innovative, Persistent, Effective, Efficient

1.2 VALUES

Innovative

We are creative and always looking for a way to improve on what we do.

Persistent

We have a strong desire and determination to succeed.

Effective

We focus on outcomes and ensuring we achieve what we set out to do.

Efficient

We are efficient in achieving our goals. No mess, no fuss.

1.3 REFERENCES

1.3.1 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]

1.3.2 PIVOTREE DOCUMENTS AND FORMS

Ref	Document	Doc. Number
[Ref 3]	Board Charter	COR-PHI-00105.0
[Ref 4]	Code of Conduct	COR-PHI-00104.0
[Ref 5]	Risk Management Framework	COR-PHI-00008.0
[Ref 6]	Fitness for Work Policy	COR-POL-00006.0
[Ref 7]	Recruitment Inclusivity & Diversity Policy	COR-POL-00007.0
[Ref 8]	Anti-Bribery and Anti-Corruption Policy	COR-POL-00004.0
[Ref 9]	Health, Safety, and Environment Guideline	HSE-PHI-00009.0



2 GOVERNANCE PRINCIPLES

Principle [Ref 2]	Relevant Reference
1. Lay solid foundations for management and oversight	Board Responsibilities (Section 3.2) Board Charter [Ref 3] Recruitment Inclusivity & Diversity Policy [Ref 7]
2. Structure the board to be effective and add value	Board Composition (Section Error! Reference source not found.) Board Capabilities (Section Error! Reference source not found.) Board Charter [Ref 3]
3. Instil a culture of acting lawfully, ethically and responsibly	Values (Section Error! Reference source not found.) Code of Conduct [Ref 4] Health, Safety, and Environment Guideline [Ref 9] Fitness for Work Policy [Ref 6] Recruitment Inclusivity & Diversity Policy [Ref 7] Anti-Bribery and Anti-Corruption Policy [Ref 8]
4. Safeguard the integrity of corporate reports	Independent Accounting (Section 4.4) Independent Audit (Section 4.5)
5. Make timely and balanced disclosure	Investor Communication (Section 4.6)
6. Respect the rights of security holders	Corporations Act 2001 [Ref 1] Constitution
7. Recognise and manage risk	Risk Management (Section 4.2) Risk Management Framework [Ref 5] Delegation of Authority (Section 4.3) Health, Safety, and Environment Guideline [Ref 9]
8. Remunerate fairly and responsibly	Remuneration Structure (Section 4.1) Director Remuneration Plan Executive Agreements



3 THE BOARD

3.1 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.

3.2 RESPONSIBILITIES

The responsibilities of the board are as follows:

- Setting the mission and values of the organisation: define and exemplify the culture
- Setting the corporate strategy and structure organisational management
- Oversight of organisational risk taking and control
- Approving corporate budgets
- Appointing and monitoring the actions of the Managing Director / CEO
- Setting Executive and Director remuneration
- Delegation of authority for execution of strategy and operation of the company

3.3 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 7].

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)

3.4 CAPABILITIES

At the current point in its evolution, Pivotree has determined that the following capability mix will provide the organisation with the breadth and depth of competency to be successful.

The meanings of the relative competence ratings are as follows:

1. Aware: is aware of what others do but cannot do it themselves (Knowledge)
2. Competent: has the knowledge, expertise and experience to act successfully (Application)
3. Expert: has significant expertise and can judge between complex alternatives (Evaluation)

Capability	Competence Rating				
	G Ryan	C Merrick	M Blake	M Christian	S Neubecker
Strategy and Planning	Expert	Expert	Competent	Expert	Competent
Financial / Commercial	Competent	Aware	Competent	Competent	Aware
Corporate Governance	Expert	Aware	Expert	Expert	Expert
Health Safety & Environment	Competent	Competent	Competent	Aware	Competent
Project Management	Aware	Expert	Aware	Expert	Competent
Engineering / Technical Experience	Aware	Expert	Aware	Aware	Expert
Oil and Gas Experience	Expert	Expert	Aware	Aware	Expert

3.5 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.

4 ORGANISATIONAL CONTROLS

4.1 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 promoting the Company, within approval limits set by the board.

4.2 RISK MANAGEMENT

Due to its current size and scope, Pivotree does not have a risk committee. The company employs a documented process for risk management facilitating oversight of any action, agreement, or decision to ensure there is an acceptable risk outcome for the company.

Refer to the Risk Management Framework **Error! Reference source not found.** for details of the risk assessment, controls, and the various treatment options.

4.3 DELEGATION OF AUTHORITY

The board delegates the responsibility for execution of corporate strategy and operations to the executive management.

Before committing the organisation to any action, agreement, or decision that results in an unacceptable (high) risk to the company, executive management must attempt to reconfigure or redraft the action to mitigate the risk. If the risk cannot be reduced, then the board can impose additional controls to treat the risk or otherwise must terminate the action occasioning the hazard.

4.4 INDEPENDENT ACCOUNTING

Pivotree retains the services of external accountants to independently process and prepare the accounts and financial reports for the company.

4.5 INDEPENDENT AUDITING

Due to its current size and scope, Pivotree does not have an audit committee. The company employs an external auditor to independently verify and safeguard the integrity of the accounts and financial reports.

4.6 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.