



Pilot Energy Limited
ABN: 86 115229 984

2021 CORPORATE GOVERNANCE STATEMENT

The Board is responsible for the overall corporate governance of Pilot Energy Limited (**Company**) including adopting appropriate policies and procedures designed to ensure that the Company is properly managed to protect and enhance shareholder interests.

This Corporate Governance Statement (**Statement**):

- reports against the 4th edition of the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council (**Governance Principles**) and the practices detailed in this Statement are current as at 1 October 2021; and

has been approved by the Board and is available on the Company's website under Corporate Governance at <https://www.pilotenergy.com.au/corporate-governance>.

Consistent with the Company's commitment to transparency in its dealings with stakeholders, this Statement has been prepared by reference to each recommendation contained in the Governance Principles.

PRINCIPLE 1. – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

A listed entity should disclose:

- (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.*

Complies

The Company has a Board Charter which is available on the Company's website at [*insert link*], which formally sets out the functions and responsibilities of the Board and those tasks delegated to management.

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to securityholders a candidate for election, as a director; and*
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(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.

Complies

The Company has committed to undertake appropriate checks before appointing a person or putting forward to shareholders a candidate for election, as a Director.

All material information relevant to a decision whether or not to elect or re-elect a Director of the Company will be made available to shareholders.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.

Complies

The Company has entered into agreements with each Director and senior manager, which outlines the terms of their appointment. Each of the Company's Directors has a signed letter of appointment and each of the Company's senior managers is engaged under an employment or contractor agreement.

Recommendation 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.

Complies

The Company Secretary has a direct reporting line to the Chairman and all Directors have direct access to the Company Secretary, who is appointed by, and accountable to, the Board on all governance matters and the proper functioning of the Board.

Recommendation 1.5

A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

- (1) *the respective proportions of men and women on the board, in senior executive positions and across the whole organization (including how the entity has defined “senior executive” for these purposes); or*
- (2) *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.*

Partially Complies

The Company has established a Diversity Policy (which is available on the Company website), which states that diversity not only refers to gender but extends to age, ethnicity, religious or cultural background, language, marital or family status and disability.

The Diversity Policy does set out a requirement to set measurable objectives and to assess annually both the objectives and the entity’s progress in achieving them. During the reporting period the Company has not formally set measurable objectives for achieving gender diversity in accordance with the Diversity Policy, primarily due to the age and stage of maturity of the Company.

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

The Company defines “senior executive” as a person that has overall responsibility for one or more business functions.

As at 30 June 2020, the proportion of women and men across the levels of Board, senior management and total employees were as follows:

- The proportion of female directors: 0%
- The proportion of female employees who are senior managers / executives: 50%
- The proportion of female employees in the whole organisation: 37.5%

Given the current size and stage of development of the Company, the Board has not considered it necessary to formally set measurable objectives for achieving gender diversity. However, the Company is committed to an inclusive workplace that embraces and promotes diversity as part of its corporate culture.

The Company does not believe this departure from recommendation 1.5 to be detrimental to shareholders.

Recommendation 1.6

A listed entity should:

- (a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
 - (b) *disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with the process.*
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Partially Complies

The Board is currently developing a process for evaluating and assessing the Board's performance on an annual basis. The performance evaluation was not undertaken during the reporting period. The Company notes that half of the Board are new appointees, having joined the Board at the end of May 2021. One other member joined in September 2020.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Complies

The Company has a process for evaluating the performance of senior executives. The Company sets annual reviews with senior executives and performance is measured against various performance metrics. An evaluation was undertaken during the reporting period.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:*
 - (1) has at least three members, a majority of whom are independent directors;*
 - (2) is chaired by an independent director, and disclose:*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (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
- (b) if it does not have a nomination committee, disclose that fact and the process 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.*

Does not Comply

Due to the size and nature of the existing Board, the Company currently has no Remuneration or Nomination Committee, and the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration and Nomination Committee.

Recommendation 2.2

A listed entity 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.

Complies

The Board aims to ensure that it is comprised of Directors with different skills and experience appropriate for the Company. The Board has developed a formal Board skills matrix to document this process.

Recommendation 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, association 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*
- (c) the length of service of each director.*

Complies

Mr. Brad Lingo

Executive Chairman of the Board appointed 12 May 2020. Brad Lingo is not considered to be an Independent Director.

Mr. Daniel Chen

Director appointed 15 September 2020.

Daniel Chen is considered to be an Independent Director.

Mr Tony Strasser

Managing Director appointed 28 May 2021.

Tony Strasser is not considered to be an Independent Director.

Mr. Bruce Gordon

Non-Executive Director appointed 28 May 2021.

Bruce Gordon is considered to be an Independent Director.

Recommendation 2.4

A majority of the board of a listed entity should be Independent Directors.

Does not comply

50% of the Board are not considered independent, however, given the size and stage of development of the Company's operations, the Board does not believe this departure from recommendation 2.4 to be detrimental to shareholders.

Recommendation 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.

Partially Complies

The Chair of the Board, Mr. Brad Lingo is not an independent director however he does not hold the role of the Managing Director. Mr Tony Strasser is an executive director and holds the title of Managing Director.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Partially Complies

The Board is planning to enhance director induction and director development training.

PRINCIPAL 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

A listed entity should articulate and disclose its values.

Does not comply.

Subject to ASX re-compliance, the Company is pursuing diversification and transition of its oil and gas exploration and production business to the development of integrated renewable energy, hydrogen and carbon management projects utilising its existing oil and gas tenements and infrastructure to cornerstone these developments. Given the Company is currently in a transition phase, the finalisation of a Statement of Values is a current work in progress for the Board.

Recommendation 3.2

A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it; and

(b) ensure that the board or a committee is informed of any material breaches of that code.

Complies

The Company has a Code of Conduct for its Directors, senior executives and employees. A copy of the Code of which is available on the Company's website.

The Company intends to add an agenda item to its future Board meetings to review material breaches of the Code of Conduct.

Recommendation 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.*

Complies

The Company has a Whistleblower Policy which is available on the Company's website.

The Company intends to add an agenda item to its future Board meetings to review material breaches of the Whistleblower Policy.

Recommendation 3.4

A listed entity should:

- a) have and disclose an anti-bribery and corruption policy; and*
- b) ensure that the board or a committee of the board is informed of any material breaches of that policy.*

Complies

The Company has an Anti Bribery and Anti Corruption Policy, a copy of which is available on the Company's website.

The Company intends to add an agenda item to its future Board meetings to review breaches of the anti-bribery policy.

PRINCIPAL 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The Board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board, and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(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

(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.

Complies

The Company has established an Audit and Risk Committee, the Charter of which is available on the Company's website. The Committee has two independent members, Mr. Daniel Chen and Mr. Bruce Gordon. The number of times the Committee has met, the members' qualifications and the individual attendances of those members will be disclosed in the Company's 2021 Annual Report.

Recommendation 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.

Complies

The Company has received a signed declaration from the CEO and the Company's external accountants that the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Complies

The Company invites its external auditor to attend its Annual General Meeting.

PRINCIPAL 5: MAKE TIMELY AND BALANCED DISCLOSURES

Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

Complies

The Board recognises the importance of its continuous disclosure obligations. The Company has a Continuous Disclosure Policy and a Securities Dealing Policy, copies of which are available on its website.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Complies

The Board is informed of all material market announcements promptly after they have been made.

Recommendation 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.

Complies

The Company releases copies all substantive investor or analyst presentations on the ASX Announcements Platform ahead of the presentation.

PRINCIPAL 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Complies

The Company provides information on its website about itself and copies of the key governance Charters and policies referred to in this Statement. The Company's Annual Report also discloses the Company's activities and is available on its website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two way communication with investors.

Complies

The Company has an active shareholder relations program.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Complies

The Board encourages full participation of security holders. The Company has adopted a shareholder communication policy which is available on the Company's website. The policy encourages security holders to submit questions directly to the Company.

Recommendation 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.

Complies

The Company ensures poll voting occurs as required.

Recommendation 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.

Complies

The Company encourages the use of electronic communication and offers security holders the option to receive and send electronic communication to the Company and its share registry where possible.

PRINCIPAL 7: RECOGNISE AND MANAGE RISK**Recommendation 7.1**

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, and discloses;*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (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*
-

(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.

Complies

The Company has established an Audit and Risk Committee, the Charter of which is published on the Company's website. The Committee has two members, Mr. Daniel Chen and Mr. Bruce Gordon. Both of the Committee members are considered independent. The number of times the Committee has met, the members' qualifications and the individual attendances of those members will be disclosed in the Company's 2021 Annual Report.

Recommendation 7.2

The Board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place

Complies

The Company has a Risk Management Policy, a copy of which is available on the Company's website. This Policy is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. Under this policy the Board will be responsible for overseeing and managing the risk management program. The Board has delegated responsibility to the Audit and Risk Committee to implement, oversee and maintain the risk management program, in light of the day-to-day needs of the Company.

Recommendation 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 risk management and internal control processes.

Complies

The Company does not have an internal audit function. The Audit and Risk Committee has responsibility for evaluating and improving the effectiveness of risk management and internal control processes. The Board is confident these measures are appropriate at present.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Complies

The Company has an Environmental and Social Sustainability Policy, a copy of which is available on the Company's website. Under this Policy, the Audit and Risk Committee is charged with assisting management in determining and managing its exposure to economic, environmental and social sustainability risks.

PRINCIPAL 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:

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

(2) is chaired by an independent director, and disclose:

(3) the charter of that committee;

(4) the members of that committee; and

(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

(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 for directors and senior executives is appropriate and not excessive.

Does Not Comply

Due to the size and nature of the existing Board, the Company currently has no Remuneration or Nomination Committee, and the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration and Nomination Committees under the Charters for the respective committees.

Recommendation 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.

Complies

The Company's policies and practices regarding the remuneration of executive and non-executive Directors and the remuneration of other senior executives are disclosed in the Company's annual report.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose the policy or a summary of it.

Complies

The Company has a Securities Trading Policy, which is available on the Company's website.

The policy prohibits the participants in the Company's equity-based remuneration scheme from entering any transactions which limit the economic risk associated with participating in the scheme.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

PILOT ENERGY LIMITED

ABN

86 115 229 984

Financial year ended:

30 SEPTEMBER 2021

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

This URL on our website:

[https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20\(2\).pdf](https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf)

The Corporate Governance Statement is accurate and up to date as at 16 December 2021 and has been approved by the board.

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.

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

Date: 16 December 2021

Name of authorised officer
authorising lodgement:

Cate Friedlander

Company Secretary

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.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board%20Charter%202021(1).pdf	<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"/>	<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

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
<p>1.5 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"/></p> <p>and we have disclosed a copy of our diversity policy at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Diversity%20Policy%202021%20docx(1).pdf</p> <p>and we have disclosed the information referred to in paragraph (c) at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Diversity%20Policy%202021%20docx(1).pdf and in the Annual Report 2021.</p>	<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>

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
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 checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board%20Charter%202021(1).pdf</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	<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>
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) and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<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>

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 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><input checked="" type="checkbox"/> <i>The entity complies with paragraph (b):</i></p> <p>and we have disclosed 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 at</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf</p> <p>and at</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Guidelines%20for%20appointment%20of%20directors%202021(1).pdf</p> <p>and</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board-Skills-and-Diversity-Matrix%202021.pdf</p>	<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>
2.2	<p>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>	<p><input type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p>[insert location]</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>We now have a Board skills matrix which can be found at :</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board-Skills-and-Diversity-Matrix%202021.pdf</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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<p>2.3 A listed entity 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, 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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>.....N/A.....</p> <p>.....</p> <p>[insert location]</p> <p>and the length of service of each director at:</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>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.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>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.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input type="checkbox"/> and we have disclosed our values at: [insert location]	<input checked="" 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.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Code%20of%20Conduct%202021(1).pdf	<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 at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/%20Whistle%20blower%20policy%202021(1).pdf	<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 at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Anti%20Bribery%20and%20Corruption%20Policy%202021(1).pdf	<input type="checkbox"/> set out in our Corporate Governance Statement

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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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Audit%20%26%20Risk%20Charter%202021(1).pdf</p> <p>and the information referred to in paragraphs (4) and (5) at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf</p> <p>and in the Company's 2021 Annual Report, which can be found on the Company's website</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Continuous%20Disclosure%20Policy%202021(1).pdf	<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.pilotenergy.com.au/corporate-governance	<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"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Communications%20Policy%202021(1).pdf	<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

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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
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>	<input checked="" type="checkbox"/> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Audit%20%26%20Risk%20Charter%202021(1).pdf</p> <p>and the information referred to in paragraphs (4) and (5) at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf and the Company's Annual Report 2021</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
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>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Risk%20Management%20Policy%202021(1).pdf and https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Energy%202021%20Corporate%20Governance%20Statement%20(2).pdf	<input type="checkbox"/> set out in our Corporate Governance Statement

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<p>7.3 A listed entity 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 governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>[insert location]</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Risk%20Management%20Policy%202021(1).pdf</p> <p>and</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Audit%20%26%20Risk%20Charter%202021(1).pdf</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>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.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>[insert location]</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>[insert location]</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement and in our Environmental Sustainability Statement</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Corp%20Gov%20Environmental%20Sustainability%20Statement%202021(1).pdf</p> <p>and</p> <p>Corporate Social Responsibility Statement</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Corporate%20Social%20Responsibility%20Policy%202021(1).pdf</p>

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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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board%20Charter%202021(1).pdf</p> <p>and the Remuneration Report included in the Company's Annual Report 2021</p>	<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>
8.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>see section 10 of</p> <p>https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Board%20Charter%202021(1).pdf</p> <p>and the Remuneration Report contained in the Company's Annual report 2021</p>	<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>

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8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	<input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: https://www.pilotenergy.com.au/sites/pilotenergy.com.au/files/files/Pilot%20Securities%20Trading%20Policy%202021(1).pdf	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable