

Corporate Governance

The Board of Directors of Predictive Discovery Limited (the “Company”) is responsible for monitoring the business undertakings of the Company and protecting the rights and interests of shareholders. High standards of corporate governance are considered essential to give effect to these responsibilities. The Company’s corporate governance policies are set and reviewed from time to time by the Board having regard to any changing circumstances of the Company and the best interests of shareholders. Accordingly, the Company has, where appropriate, sought to adopt the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (the ‘Principles’). The corporate governance principles and practices adopted by the Company may differ from those set out in the ASX Recommendations where the Board considers that adherence is not appropriate, having regard to the nature, complexity and size of the Company’s business.

Any documents referenced in this statement as being available on the Company’s website can be found on this site.

Item	ASX Best Practice Recommendation	Compliance	Comment
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	Comply	The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The respective roles and responsibilities of Board and the Managing Director are set out in the Company’s Board Charter (refer to Corporate Governance section on web page).
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	Comply	(a) The Company has a Policy and Procedure for the Selection and Appointment of New Directors and this is located in the Board Charter in Corporate Governance section on the Company’s website. (b) The Company provides sufficient information in its Notice of Meeting when a director is to be elected or re-elected at a General meeting of the Company.

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1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Comply	<p>Remuneration and other terms of engagement for the directors are formalised in consulting agreements individually or with their respective companies and the terms of these agreements are summarised in the annual Remuneration Report forming part of the Directors' Report which accompanies the annual financial report.</p> <p>Any new directors who may be appointed to the Board, will be provided with a letter of appointment which includes their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations, share trading policy guidelines, indemnity and insurance arrangements.</p>
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.	Comply	The Board is responsible for the appointment of the Company Secretary. The Company Secretary is responsible for providing directors with ongoing guidance and advice on commercial and corporate governance matters. The Company Secretary also provides guidance for the preparation of the semi annual and annual accounts. The Board is responsible for evaluating his performance on an annual basis and determining his remuneration.
1.5	<p>A listed entity should:</p> <p>(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;</p>	Comply	<p>(a) This recommendation is satisfied. The Company's Diversity Policy sets out the Company's policy concerning diversity. The Company's policy concerning diversity is as follows: The Company recognises that diversity is an economic driver of competitiveness for companies and it strives to promote an environmental and culture conducive to the appointment of well qualified persons so that there is appropriate diversity to maximise the achievement of corporate goals. The Company will disclose its objectives for achieving diversity and progress in achieving them in each annual report. In order to promote gender diversity, the Company will engage in reviews and reporting to the Board about the proportion of women at the Company and strategies to address diversity. The Company intends to recruit the most qualified persons for each position and considers persons from a diverse pool of qualified candidates.</p>

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	<p>(b) disclose that policy or a summary of it; and</p> <p>(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;</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(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.</p>		<p>(b) The Diversity Policy is available on the Company's website.</p> <p>(1) Proportion of women employees in the whole organisation is 15%. There is one women (33%) in a senior executive position and none on the board.</p> <p>(2) Not applicable to the Company.</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>	Partially comply	<p>(a) The Directors consider that due to the size of the Company and its Board, such a formal review procedure is not appropriate at this point in time and has instead adopted a self-evaluation process to measure its own performance. This recommendation is satisfied in as much as the details have been included in the Board Charter.</p>

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	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		(b) The annual report will disclose whether a performance evaluation for directors has taken place in the reporting period and whether it was in accordance with the process disclosed
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; 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>	Partially comply	<p>(a) The Company's goals for the year are set out in the Annual Report and these are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, in June, by the Managing Director. The Managing Director's performance evaluation is also undertaken annually, in June, by the Board.</p> <p>(b) the annual report will disclose whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed</p>

PRINCIPLE 2 – STRUCTURE THE BOARD TO 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</p>	Do not comply	<p>Not Satisfied.</p> <p>(a) Given the current size of the Board, the Board as a whole performs the role that a committee would ordinarily perform.</p>
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	<p>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>(b) The Board has not adopted a charter relevant to the specific functions of a nomination committee. Given the size of the Company and the Board, straight forward structure of the Company, the directors consider that any efficiencies achieved by the establishment of a nomination committee would be minimal, thereby not making its establishment cost effective. The Company has board processes in place which raise the issues that would otherwise be considered by a nomination committee.</p>
2.2	<p>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.</p>	Comply	<p>The Board has examined its collective set of skills and is of the view that with the Company's current size and scale, has the appropriate set of skills.</p>
2.3	<p>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, 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</p>	Comply	<p>Satisfied.</p> <p>(a) Phil Henty is a Non-Executive independent director as defined in ASX guidelines.</p>

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	(c) the length of service of each director.		(c) Disclosed in the Company's Annual Report
2.4	A majority of the board of a listed entity should be independent directors.	Do not comply	One of the four directors is considered to be independent.
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.	Do not comply	The chair of the board is not considered to be independent. Mr Jackson is Chair of the Company's major shareholder, Aurora Minerals Limited. The Chair is not the CEO of the Company
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.	Comply	New directors are inducted into the Company at the time of their appointment.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Comply	(a) This recommendation is satisfied. The Company's Code of Conduct sets out the Company's expectations for the conduct by the Company's directors, senior executives and employees, including in relation to business conduct, personal and professional conduct (such as confidentiality, personal behaviour, diversity and respect for others). (b) The Code of Conduct is located in the Corporate Governance section on the Company's website.
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

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	Do not comply	(a) The Company does not have an audit committee, as its size and its financial affairs are not of such complexity to justify a separate audit committee. The Board monitors the form and content of the Company's financial statements; they also maintain an overview of the Company's internal financial control and audit system and risk management systems.
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	<p>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>(b) The Board, on an annual basis in line with its overall responsibility to shareholders, reviews the performance and independence of the external auditor and the continuation of that appointment. The Board also approves the remuneration and terms of engagement of the external auditor. Any appointment of a new external auditor will be submitted for ratification by shareholders at the next annual general meeting of the Company.</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</p>	Comply	<p>The Board, before it approves the Company's financial statements for a financial period, receives from the CEO and CFO a declaration that, in their opinion, 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.</p>

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	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.		
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.	Comply	The Company ensures that the external auditor attends its AGM, and advises shareholders that the auditor is available to answer questions relevant to the audit.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Comply	<p>(a) The Board aims to ensure that the shareholders are informed of all major developments affecting the Company. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports.</p> <p>The Company maintains a website at www.predictivediscovery.com on which the Company makes the following information available on a regular and up to date basis:</p> <ul style="list-style-type: none"> ● company announcements; ● information briefings to media & analysts; ● notices of meetings and explanatory materials; ● financial information; and ● annual and half year reports. <p>In the event that an announcement is not available on the Company's website it will be available on the ASX website.</p> <p>(b) The Company's Continuous Disclosure Policy is located in the Corporate Governance section on its website.</p>
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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.	Comply	<p>The Company places a high priority on communications with its shareholders. Although the Company does not have a standalone communications policy, the Company considers that its Continuous Disclosure Policy, together with disclosure through the following means, should be sufficient to promote effective communications with shareholders:</p> <ul style="list-style-type: none"> · announcements released to through the ASX company announcements platform; · notices of meetings to shareholders; and · provision of all relevant documentation released on the Company’s website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communications with investors.	Comply	The Company utilises the services of an Investor Relations company as required.
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.	Comply	The Company encourages full participation of shareholders at the annual general meeting, and other meetings, of the Company.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Comply	The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically.
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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent 	Partially Comply	(a) Day-to-day management of risk is the responsibility of the relevant members of the Company’s Management.

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	<p>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>(b) The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.</p> <p>Day-to-day management of risk is the responsibility of the relevant members of the Company's Management.</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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Partially Comply	<p>(a) The role of the Board is to:</p> <ul style="list-style-type: none"> • review the Company's internal financial control system and risk management systems; • monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; • monitor and review compliance with the Company's Code of Conduct. <p>(b) The Annual Report contains details of meetings held during the year.</p>

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7.3	<p>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 risk management and internal control processes.</p>		<p>(a) The Board undertakes to monitor and review the effectiveness of the Company's internal audit function.</p>
7.4	<p>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.</p>		<p>The Board of the Company reviews on a periodic basis the Company's exposure to economic, environmental and social sustainability risks.</p>

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</p>	<p>Partial Compliance</p>	<p>(a) The function of this committee is performed by the full Board given the current size of the Board.</p>
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	<p>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>(b) Refer to above. The Board, within the limit pre-approved by shareholders, determines fees payable to individual non-executive directors. The remuneration level of any executive director or other senior executive is determined by the Board after taking into consideration levels that apply to similar positions in comparable companies in Australia and taking account of the individual's possible participation in any equity based remuneration scheme. The Board may use industry wide data gathered by independent remuneration experts annually as its point of reference. .</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>	Partially Comply	<p>The Remuneration Policy of the Company is contained in the Directors Report in the Company's Annual Report to shareholders. It is the policy of the Company that, except in special circumstances, non-executive directors normally be remunerated by way of fixed fees, should not receive a bonus or options and should not be provided with retirement benefits other than statutory superannuation.</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>	Partially Comply	<p>The Company does not have an equity-based remuneration scheme.</p>