

---

## **Policy**

### **Securities Trading**

Classification	Public
Effective Date	1 June 2017
Owner	Company Secretary
Status	Final
Approved by	Board of CTN

## **1. PURPOSE & SCOPE**

This Securities Trading Policy applies to Key Management Personnel with regard to Dealing in CTN Securities. Key Management Personnel are encouraged to be long-term holders of CTN Securities, however they must also be mindful that:

- (a) they may be in possession of, or perceived to be in possession of, potential Inside Information;
- (b) their personal interests may be, or perceived to be, in conflict with the interests of the Company, and
- (c) they have legal obligations not to engage in insider trading or other market misconduct.

The purpose of this policy is to:

- (a) explain the insider trading and market misconduct provisions under the Corporations Act; and
- (b) set out the procedures which must be followed by Key Management Personnel when dealing in CTN Securities, including to address any potential conflict of interest that may arise relating to such activity.

This policy is issued in accordance with ASX Listing Rule 12.9 and ASX Guidance Note 27.

## **2. INSIDER TRADING & MARKET MISCONDUCT**

### **2.1 Insider Trading**

Insider trading occurs where a person who is aware of Inside Information in relation to a company's securities:

- (a) trades in those securities;
- (b) procures someone else to trade in those securities (including nominees, agents or associates such as family members, family companies or trusts); or
- (c) passes the information to a third party in circumstances where the person knows (or ought reasonably know) that the third party would be likely to trade in the securities, or procure someone else to trade in the securities.

Examples of Inside Information include:

- (a) the entry into, variation or termination of a material contract;
- (b) the company considering a major acquisition or disposal of assets;
- (c) the company's financial results materially exceeding (or falling short of) the market's expectations;
- (d) a significant new business proposal;
- (e) the appointment or resignation of the company's Chair;
- (f) the issue of new shares or dividends; and
- (g) the threat of major litigation against the company.

A breach of the insider trading provisions carries significant civil and criminal penalties, including a jail term of up to 10 years. In addition, a director who engages in insider trading may be subject to civil and/or criminal penalties for breaching their duties as a director, including disqualification from being a director of a company.

## 2.2 Other market misconduct

The Corporations Act also contains 'market misconduct' provisions which prohibit certain trading behaviour and activity, including:

- (a) market manipulation (trading in securities to create an artificial price for those securities);
- (b) false trading and market rigging; and
- (c) disseminating false or misleading statements (also known as rumourtrage).

Examples include a director trading in a company's securities or disseminating information to manipulate the securities' market price in order to increase a performance bonus.

Breaches of these provisions also attract civil and criminal penalties including fines, jail terms and disqualification from being a director of a company.

## 3. TRADING IN CTN SECURITIES

### 3.1 General Requirements

Directors are permitted to trade in CTN Securities, provided:

- (a) they have obtained pre-trade approval in accordance with clause 4 of this policy;
- (b) they are not in possession of Inside Information in relation to CTN Securities;
- (c) the transaction occurs during a Trading Window; and
- (d) they are otherwise acting in accordance with this Policy.

### 3.2 Transactions excluded from approval process

The following transactions are outside the scope of this Policy and do not require approval to trade:

- (a) transactions pursuant to a dividend or distribution reinvestment plan, rights issue, security purchase plan, bonus issue or other security offer or corporate action in respect of CTN Securities and which does not require any discretion by the holder;
- (b) transactions pursuant to any CTN share or incentive plan (although the sale of CTN Securities granted/vested under such plan does require approval); or
- (c) investments in or trading in units of, a fund or scheme where a member of Key Management Personnel is not in the position to influence the trading activities of that fund or scheme;
- (d) off-market transfers of CTN Securities where there is no change in underlying beneficial ownership;
- (e) transactions resulting from the acceptance of a takeover offer in relation to CTN Securities; and
- (f) compulsory acquisition.

### 3.3 Short term trading

Key Management Personnel must not engage in short-term trading in CTN Securities in any Relevant Account. For this purpose, the sale of CTN Securities within 6 months of their purchase in a Relevant Account is not permitted, nor is the purchase of CTN Securities within 6 months of having sold such CTN Securities. This, however, does not

prevent the sale of CTN Securities immediately after they have been acquired via the exercise of options (providing the sale occurs during a permitted Trading Window).

### **3.4 Prohibited transactions**

Key Management Personnel are prohibited from entering into any of the following transactions in any Relevant Account:

- (a) margin lending over any CTN Securities;
- (b) any arrangement that has the effect of limiting their exposure to risk relating to a holding of CTN Securities in a Relevant Account (including unvested options); and
- (c) any short sale of CTN Securities or other transaction that enables profit to be made from a decrease in the market price of CTN Securities.

### **3.5 Trading Windows**

Other than transactions excluded by virtue of clause 3.4, any trading in CTN Securities may only be done during the following periods as applies to the relevant CTN Securities:

- (a) the period commencing on the second Trading Day after the release to ASX of the half-year results by CTN or the relevant Contango Related Entity (as the case may be) and ending 4 weeks later;
- (b) the period commencing on the second Trading Day after the release to ASX of the full-year results by CTN or the relevant Contango Related Entity (as the case may be) and ending 4 weeks later;
- (c) the period commencing on the second Trading Day after an Annual General Meeting or Extraordinary General Meeting of CTN or the relevant Contango Related Entity (as the case may be) and ending 4 weeks later;
- (d) in respect of trading in the securities of a Contango Related Entity, the period commencing one Trading Day after the release of the monthly Net Tangible Asset announcement to the ASX platform and ending 2 weeks later; and
- (e) any additional period designated by the CTN board.

## **4. APPROVAL PROCESS**

### **4.1 Request for Approval to Trade**

Directors must ensure they have received the requisite approval from the Chairman, copy to the Company Secretary, before they conduct any trading in CTN Securities. They must not seek approval if they are in possession of Inside Information.

Confirmation of the trade should also be provided to the Company Secretary so that any relevant registers can be updated (see also, Paragraph 5 below).

### **4.2 Exceptional Circumstances**

The board acknowledges there are Exceptional Circumstances which may warrant Key Management Personnel Dealing in CTN Securities outside a Trading Window. Accordingly, a Request to Deal in Exceptional Circumstances may be made to the Chairman, copy to the Company Secretary, in writing via email, including:

- (a) the particulars of the transaction (eg. the number of CTN Securities to be sold and the timeframe by which the trade(s) are to be executed, if applicable);
- (b) why the particular situation is an Exceptional Circumstance; and

- (c) any supporting documentation, where available.

The request will be considered by the Chairman as soon as practicable.

#### **4.3 Execution of Approved Trades and Approval Expiry**

Approved trades must be placed within 1 business day of receiving the approval pursuant to clause 4.1 and in within the prescribed Trading Window.

Re-approval must be sought if:

- (a) the approved trade has not been completed within 7 days;
- (b) there is any change to the any of the details of the trade provided in the Request for Approval to Trade (including as to the total number or value of securities or any limits on the order); or
- (c) there is any change in circumstances which results in the certifications given in the Request for Approval to Trade being incorrect.

Upon execution of the pre-approved trade, directors must, upon request, provide the Company Secretary with a copy of the trade confirmation statement issued by the broker for the trade.

## **5. LODGEMENT OF ASX NOTICES**

In addition to the requirements set out throughout this policy, each CTN director is responsible for complying with the following provisions, as applicable:

### **5.1 Changes in Directors' Relevant interests**

Pursuant to ASX Listing Rule 3.19A, CTN must notify the ASX (via an Appendix 3Y announcement) of any changes that occur in a director's Relevant Interest in CTN Securities within 5 business days of such Dealing taking place.<sup>1</sup> A person has a Relevant Interest in a security if they are the registered holder of the security or if they have the power to control voting or disposal in respect of the security, irrespective of how remote the interest is. A Relevant Interest may arise if the securities are jointly held by a director and another person (eg spouse or family member), or held in the director's family trust or superannuation fund.

Accordingly, as soon as practicable after Dealing in CTN Securities, directors of CTN must notify the Company Secretary of the trade and provide a copy of the trade confirmation on request, so that the Company Secretary may lodge the requisite ASX notices and update the Register of Directors' Interests, in order for the Register to be tabled and minuted at the next CTN board meeting.

### **5.2 Substantial shareholdings**

The Corporations Act requires persons (including Key Management Personnel) to give a notice to both CTN and the ASX if they (together with any Associates) begin to have, or cease to have, a Substantial Holding in CTN or if they have a Substantial Holding and there is a movement of at least 1% in their holding.

---

<sup>1</sup> An Appendix 3Y lodged by CTN pursuant to ASX Listing Rule 3.19A satisfies the director's personal obligation to notify the ASX about its change in interest, pursuant to s205G of the Corporations Act.

It is the responsibility of Key Management Personnel to lodge the applicable forms (with assistance from the Company Secretary) where their Relevant Interest in CTN meets the Substantial Holding thresholds.

## 6. DEFINITIONS

**Associate** has the meaning given in s12(2)(b) and (c) of the Corporations Act.

**ASX** means the Australian Securities Exchange Limited.

**CTN** means Contango MicroCap Limited ACN 107 617 381 (ASX:CTN)

**Contango Group** means Contango Asset Management Limited ACN 080 277 998 (ASX:CGA) and its related bodies corporate.

**Contango Related Entity** means a Contango Group company, Contango Income Generator Ltd (ASX:CIE), Contango Global Growth Ltd (ASX: CQG) and any other LIC that has an investment management agreement in place with a Contango Group company from time to time.

**CTN Securities** means any share, debenture, option, unit, interest or other financial products issued by CTN, including convertible notes, any security specific derivatives, options, Contracts for Difference (CFDs) and warrants that may be issued by third parties where the underlying or referenced security is issued by CTN.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Deal** or **Dealing** means either directly or indirectly acquiring or disposing of securities (both on and off market), or entering into an agreement to buy or sell securities, or exercising options, rights or awards to acquire securities.

**Exceptional Circumstances** mean:

- (a) a pressing financial commitment that cannot be satisfied otherwise than by selling the CTN Securities;
- (b) a court order, court enforceable undertaking, or other legal or regulatory requirement requiring the sale of CTN Securities; or
- (c) another circumstance which the Chair and Company Secretary may collectively determine, using their discretion sparingly and with caution, having regard to ASX Guidance Note 27.

**Inside Information** means Information that is not generally available and if it were generally available a reasonable person would expect it to have a material effect on the price or value of the Financial Product.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**LIC** means an ASX Listed Investment Company.

**Relevant Interest** has the meaning given in s608 of the Corporations Act.

**Relevant Account** means all accounts:

- (a) in which a Key Management Personnel has any form of ownership interest (including with other entities);
- (b) that a Key Management Personnel has the power, directly or indirectly, to effect or influence decisions regarding transactions in the account.

**Substantial Holding** has the meaning given in s9 of the Corporations Act, being a Relevant Interest of 5% or more (of the voting power of those shares) under the control of a shareholder and/or their Associates.

**Trading Day** means a day on which shares are traded on ASX.

**Trading Window** in respect of trading in CTN Securities, means the periods specified in clause 3.5.

**Date Adopted by the Board: 1 June 2017**