

## Policy

# Continuous Disclosure & Communications

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

## 1. PURPOSE & SCOPE

As an ASX listed company, Contango MicroCap Limited (**the Company**) must comply with its continuous disclosure obligations under the Corporations Act 2001 (Cth) and the ASX Listing Rules. Given the Company takes a best practice approach to corporate governance it also adopts the ASX Corporate Governance Council's Principles and Recommendations in relation to making timely and balanced disclosure.<sup>1</sup>

This policy sets out the requirements of directors and employees, contactors or agents (if any) of the Company in relation to its continuous disclosure obligations.

The purpose of this policy is to:

- a) assist the Company directors to understand the Company's continuous disclosure obligations, including when disclosure is, and is not, required;
- b) explain the procedures put in place by the Company to ensure compliance with its continuous disclosure obligations, including the roles and responsibilities of the Company's directors;
- c) explain the process of safeguarding confidentiality of corporate information to avoid premature disclosure;
- d) set out measures for addressing the emergence of a 'false market' in CTN Securities; and
- e) explain the process for effectively communicating non-price sensitive information to shareholders, analysts, fund managers and the media.

## 2. CONTINUOUS DISCLOSURE OBLIGATIONS

### 2.1 Obligation to disclose Market Sensitive Information

Once the Company becomes aware of information concerning it that a reasonable person would expect to have a material effect on the price or value of CTN Securities (**Market Sensitive Information**), it must immediately disclose that information to the ASX, unless an exception can be relied on.<sup>2</sup>

A reasonable person is taken to expect information to have a 'material effect' on the price or value of CTN Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities.<sup>3</sup>

Some examples of Market Sensitive Information include:

- (a) the fact an entity's earnings will be materially different from market expectations;
- (b) a transaction that will lead to a significant change in the nature or scale of the entity's activities;
- (c) the entry into, variation or termination of a material agreement;
- (d) changes in directors or senior management.

### 2.2 Relationship to Insider Trading prohibitions

Directors of the Company are prohibited from trading in any securities or financial products where they are in possession of Inside Information (for further details see the Staff Trading Policy). This extends to instances where directors are in possession of Inside Information that is Market

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<sup>1</sup> Recommendation 5.1.

<sup>2</sup> Per ASX Listing Rule 3.1, which replicates s674 of the Corporations Act.

<sup>3</sup> Per s677 of the Corporations Act.

Sensitive Information and requires disclosure pursuant to paragraph 2.1 above or is not required to be disclosed in reliance of an exception as further described in paragraph 2.3 below.

### **2.3 Exceptions to disclosure for certain confidential information**

The ASX Listing Rules permit the Company not to disclose Market Sensitive Information where each of the following conditions is satisfied:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential, and ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
  - (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the Company's internal management purposes;  
or
  - (v) the information is a trade secret.

The Company must meet its continuous disclosure obligation as soon as any one of paragraphs (a), (b) and (c) is no longer satisfied.

### **2.4 Consequences for failure to comply with continuous disclosure obligations**

The Corporations Act provides for criminal and civil liabilities imposed on directors, officers, and other persons who do not comply with their continuous disclosure obligations. Failing to make accurate and timely disclosure may also constitute a breach of director's duty, resulting in disqualification from being a director. The Company may also be subject to significant penalties.

## **3. DISCLOSURE DECISION-MAKING PROCESS**

### **3.1 Board approval in first instance**

The CTN board should approve all ASX announcements, prior to their release. See paragraph 3.2 below for the steps to be taken by the board in approving announcements.

However, there will be times when Market Sensitive Information arises outside of the board forum and the board cannot meet (in person or via telephone) to approve an announcement immediately. In such instances, the Company Secretary together with the Chairman can jointly approve ASX announcements for release. Where this occurs, the announcement will be tabled at the next board meeting under the standing agenda item "ASX Announcements since last meeting" to allow the board to determine what, if any, further steps are required to ensure the Company complies with its continuous disclosure obligations.

### 3.2 Trading Halts

There may be instances where it is necessary for the Company to request a trading halt or voluntary suspension with ASX if it becomes aware of Market Sensitive Information outside of trading hours or where it is not in a position to release the information.

The Company Secretary, with the approval of the Chairman, may request a trading halt in such instances.

### 3.3 Accuracy of information

The Company and its directors have an obligation to ensure the information released to the market via ASX announcements is timely and accurate. In particular, directors have a duty of care and diligence to ensure the content of the information they are approving is accurate and accords with the particular business decision or event at hand. Directors should not approve the announcement if they are uncertain about any of the content.

### 3.4 Market Sensitive Information arising from board meetings

Where the board Agenda includes an item that is likely to result in Market Sensitive Information, where possible, the Company Secretary will, in advance, prepare a draft announcement for board approval, to be released subsequent to passing the relevant board resolution(s). The draft announcement should be included in the board pack so that directors have time to review and consider the release.

The board should also consider, in relation to each matter discussed at board, whether there are any continuous disclosure obligations arising from the discussion.

The board Agenda should also include a standing item in which all matters which were disclosed since the last meeting are noted.

### 3.5 Notification of Market Sensitive Information

If directors become aware of Market Sensitive Information outside of the board context, they should immediately notify the Company Secretary.

It is critical to the Company's effective compliance with its continuous disclosure obligation that information is communicated by its directors as soon as they become aware of that information.

When a market-sensitive matter arises or is reported, the Company Secretary will discuss the significance of the matter with the Chairman. If it is determined that the matter should be disclosed, the Company Secretary will:

- (a) co-ordinate the preparation of a draft ASX announcement (taking steps to obtain input from subject matter experts, where necessary); and
- (b) circulate the draft announcement to the Board for review.

Once the review process has been completed and the Board has approved the release, the Company Secretary will lodge the announcement with the ASX.

If the board cannot be reached to review and approve the statement, the Company Secretary together with the Chairman can approve the release of the statement.

Once an acknowledgment has been received by the Company from ASX that the information has been released to the market, the information may be released to the media or posted on the Company's website (as appropriate).

## 4. SAFEGUARDING CONFIDENTIAL INFORMATION

### 4.1 Protecting the confidentiality of information

Where the Company chooses not to disclose information in reliance on the exceptions from disclosure described in section 2.3 above, it is critical that the information is kept confidential for the exemption to continue to apply.

Accordingly, each director of the Company who possesses Market Sensitive Information about the Company that has not been disclosed to ASX must protect and preserve the confidential nature of that information, including by:

- (a) refraining from discussing that information with, or divulging that information to, any person who is not authorised by the Company to receive that information; and
- (b) ensuring that any documents or other written material in their possession in relation to that information are properly and securely stored and are not disclosed to an unauthorised person.

If a director has any doubt as to whether information is price sensitive or who is authorised to receive that information, they should discuss the matter with the Company Secretary.

## 5. RUMOURS AND MARKET SPECULATION

The Company will generally not comment on market speculation or rumour, unless:

- (a) there are factual errors contained in the speculation or rumour which could materially affect the Company; or
- (b) there is a significant move in the price of the Company's securities which could be reasonably attributed to the speculation or rumour; or
- (c) the Company receives a formal request from the ASX to do so.

Any queries by ASX, the media, analysts, brokers, shareholders or the public about a market rumour concerning the Company or regarding information that is subject to this Continuous Disclosure Policy must be referred to the Company Secretary or Chairman.

The only person authorised to speak to the media or any other person outside the Company about market rumours concerning the Company or about information that is subject to this Continuous Disclosure Policy is the Chairman after consultation with the Company Secretary.

## 6. EXTERNAL COMMUNICATIONS

In each case, the procedures below are designed to avoid the release of Price Sensitive Information on a selective basis and, in the event that such does occur, to avoid or minimise the risk that a false or uneven market is created.

### 6.1 Black Out Periods

In all cases, no interviews or communication will take place with any analysts, media, fund managers, or existing or potential shareholders in relation to the Company's financial results or performance in the 4 weeks prior to the reporting of the financial results ie the quarterly cash flow report, the half-year announcement, the full year announcement or Annual General Meeting (collectively, **Blackout Periods**). This operates to prevent the Company Secretary and Chairman from discussing the contents of any AGM notice, and the proposed resolutions contained therein, with a shareholder. While the Company is at all times subject to its continuous disclosure obligations, the Black-out Periods are particularly sensitive as Market Sensitive Information is in the process of being generated.

Outside the Blackout Periods, the following rules apply:

**6.1.1 Communicating with the media and market**

Subject to the restrictions during Blackout Periods, the Chairman is the only person authorised to comment to the media on the affairs of the Company and to give interviews to analysts, media, fund managers, and existing or prospective shareholders. The Chairman may invite members of the Board to accompany him/her and speak on behalf of the Company or to respond to specific media or investor enquiries.

**6.1.2 Analyst and investor briefings**

From time to time the Company will conduct analyst and investor briefings. The Chairman is the only person authorised to conduct briefings with analysts or current or potential investors, however the Chairman may authorise the Investment Manager to conduct such briefings provided the Investment Manager complies with this Policy.

The Company may review analysts draft reports and models where requested. However, comments will be restricted to public information contained in a report or model and no comment will be made on the conclusions or assumptions. Where appropriate, the Company may acknowledge the current range of analysts' estimates, question an analysts assumption where the estimate varies significantly from the current market range of estimates and correct factual errors.

**6.1.3 No selective disclosure of information**

When dealing with the media, analysts, investors or shareholders, only publicly available information or non-price sensitive information may be referred to.

All interviews should either be recorded or detailed notes should be retained. If Market Sensitive Information is accidentally disclosed, the Company should release the information to the market before trading commences on the following day. The Company will release copies of any significant presentation material to the ASX and/or also post on the Company's website.

**6.1.4 Approval of presentation material**

Where the Chairman proposes to present any potentially Market Sensitive Information to analysts, professional bodies, media, investors or any other person they must ensure that the material is provided to the Company Secretary prior to presenting the information externally.

**7 FURTHER INFORMATION & RELATED DOCUMENTS**

ASX Listing Rule 3.1  
ASX Guidance Note 8: *Continuous Disclosure*  
ASIC Regulatory Guide 62: *Better Disclosure for Investors*

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

## 8 DEFINITIONS

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

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

**CTN Securities** means any share, debenture, option, units, interests or other Financial Products issued by CTN, including 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.

**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 securities.

**Investment Manager** means Contango Funds Management Limited ACN 085 487 421 AFSL 273119, which is a related body corporate of Contango Asset Management Limited ACN 080 277 998.

**Market Sensitive Information** means information regarding CTN that a reasonable person would expect to have a material effect on the price or value of its securities.