

## **Contango Asset Management Limited ACN 080 277 998 (formerly Tyrian Diagnostics Limited) (Company)**

### **Corporate Governance Statement**

**Sydney, Australia 29 September 2016: Contango Asset Management Limited (ASX: CGA))**

The Company aims to meet the levels of best corporate governance for listed companies as set out in the ASX Corporate Governance Council's Principles and Recommendations (the "ASX Principles and Recommendations").

The Company's corporate governance principles, details of which can be found below include:

- Statement of Corporate Governance Principles
- Board Charter
- Audit & Risk Committee Charter
- Remuneration & Nominations Committee Charter
- Continuous Disclosure and Communications Policy
- Securities Trading Policy
- Code of Conduct

## **1. Board and management**

### **1.1 Role of the Board and Senior Management**

The role of the Board is to provide strategic guidance for the Company and effective oversight of its management to the Managing Director and other senior executives. The Board has adopted a formal board charter that details the board's functions and responsibilities and those functions which are delegated to senior management.

***A copy of the Board Charter is available on the Company's website under the Corporate Governance section.***

### **1.2 Evaluation of Performance of Senior Executives**

The Company, through its subsidiary, Contango Group Services Pty Ltd, has a written agreement with each senior executive that sets out the terms of their appointment.

The Remuneration & Nominations Committee is specifically responsible for reviewing the ongoing performance of the Managing Director and senior management and ensuring there is an appropriate process to review the performance of senior executives.

The Remuneration & Nomination Committee will conduct performance evaluations of the Managing Director and senior management after the end of the current financial year.

## 2. Board Composition

The Company's Board on reinstatement of the Company's securities to official quotation will comprise three independent non-executive directors and the Managing Director. The Board has been structured to provide a team of directors with a range of skills, expertise and experience appropriate for it to undertake its duties and its role and responsibilities for the proper and effective management of the Company's business and affairs. In particular the composition of skills, expertise and experience of the directors span the areas of funds management, investment services, finance, accounting, public company affairs and corporate governance.

***A brief biography of each director is available in the Company's website under the Board of Directors section.***

The recommendation of candidates for the Board is carried out by the Remuneration & Nominations Committee, which reviews the skills of existing directors and identifies additional skills that would contribute to the success of the Company's strategy and operations.

Before appointing a person, or putting forward to security holders a candidate for election, as a director, the Remuneration & Nominations Committee will undertake appropriate background checks including interviewing referees, contacting professional bodies, if any, to ascertain any membership credentials claimed, and interviewing former employers. The Remuneration & Nominations Committee may engage an appropriately qualified executive search firm to conduct this exercise.

When putting forward to security holders a candidate for election, as a director, the Company will provide security holders with all material information in its possession that it believes is relevant to the decision on whether to or not to elect or re-elect a director.

The Company does not have a formal program for inducting new directors. As new directors are appointed their individual induction requirements will be ascertained on a case by case basis commensurate with the skills and experience of the individual appointee. The provision of professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively will also be assessed and provided on an as-needs basis.

### 2.1 Independence of directors

The Board has assessed the independence of all non-executive directors and has determined that the following non-executive directors are independent: Roger Amos (Chairman) and non-executive Director, Charles Aitken.

Charles Richard Napier Aitken is the chief executive officer and a controlling shareholder of Aitken Investment Management Pty Limited ACN 603 583 768 (**AIM**), which operates an Australian funds management business. Other than as director pursuant to his non-executive director appointment agreement with the Company, Mr Aitken has no contractual relationships with the Company and its subsidiaries either personally or through AIM or any related body corporate of AIM. Mr Aitken has not been employed, and will not be employed, in an executive capacity by the Company or any of its subsidiaries. Mr Aitken is not a substantial shareholder of the Company and is not an officer of, or otherwise associated with, a substantial shareholder of the Company.

A majority of the Board is not comprised of independent members. The Board will consider future appointments of independent directors.

All Company directors are aware of, and adhere to, their obligation under the Corporations Act 2001 to disclose to the Board any interests or relationships that they or any associate of theirs may have in a matter that relates to the affairs of the Company, and any other matter that may affect their independence. All directors have agreed to give the company notice of changes to their relevant interests in Company shares within two days to enable both them and the Company to comply with the Australian Stock Exchange (ASX) Listing Rules.

The Board regularly reviews the independence of its directors and in doing so has regard for, amongst other things, the ASX Principles and Recommendations in relation to independence of directors. The Board considers that an independent director is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors ability to act in the best interests of the Company.

In determining whether an interest or relationship is considered to interfere with a director's independence, the Board has regard to the materiality of the interest or relationship. In considering the issue of materiality, the Board considers the nature, circumstances and activities of the Director, and considers the materiality of the relationship in question from the perspective of the Company, the persons or organizations with which the Director has an affiliation, and from the perspective of the Director.

Where a Director has an actual or perceived conflict of interest in respect of a matter, that Director will be excluded from participating in and voting on the matter.

## **2.2 Independent professional advice**

Where a director obtains independent professional advice in furtherance of his or her duties, the Company will meet the reasonable costs of such advice provided that:

- the Chairman of the Board gave prior approval to the obtaining of the advice; or
- if the Chairman refused to give such approval, the Board gave prior approval to the obtaining of the advice.

## **2.3 Remuneration & Nominations Committee**

The Board has established a Remuneration & Nominations Committee to provide recommendations to the Board on matters including:

- Composition of the Board and competencies of Board members;
- Appointment and evaluation of the Managing Director and other senior executives;
- Succession planning for Board members and senior management;
- Processes for the evaluation of the performance of the directors, the Managing Director and other senior management.

The Remuneration & Nominations Committee currently comprises three members, being Charles Aitken (an independent chairman), Roger Amos (independent member) and Martin Switzer (non-executive director).

The Board has not formalised the procedures for selection and appointment of new directors or re-election of incumbent directors, however the board regularly reviews its composition to determine whether it has the right mix of skills and experience. The Board engages external recruitment firms in order to assist it in the selection and evaluation of new directors.

***A copy of the Remuneration and Nomination Committee Charter is available on the Company's website under the Corporate Governance section.***

## **2.4 Performance review and education**

The performance of the Board, its Committees and senior executives is reviewed and evaluated by the Remuneration & Nominations Committee and the Board, as appropriate, using the results of a questionnaire which is completed by each director.

The Board conducts reviews of board effectiveness and contribution. The Board will conduct performance evaluations of Board members, its committees and directors on an annual basis.

## **2.5 Remunerate fairly and responsibly**

The Remuneration Report in the Company's Annual Report will disclose details of the Company's remuneration policies, and the Directors' Report in the Company's Annual Report will disclose details of the membership of meetings of the Remuneration & Nominations Committee.

The Company has established an Employee Share Incentive Plan and Employee Loan Share Plan (**Plans**) pursuant to which eligible employees may receive shares in the Company. The Plans are designed to align employment service with shareholding as a means to incentivise and remunerate executive directors and senior management.

# **3. Ethical and responsible decision making and Diversity**

## **3.1 Code of Conduct**

The Company has established a formal code of conduct under which Directors, management and staff are expected to perform their duties in a professional manner and act with the utmost integrity, objectivity and in accordance with appropriate ethical standards in all dealings with each other, the Company, clients, suppliers and the community, striving at all times to enhance the reputation and performance of the Company. All directors and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information. Any breach of the code of conduct may give rise to disciplinary action. In addition, directors and employees are obliged to observe standards of conduct and behaviour in accordance with the terms of their appointment or employment as applicable.

## **3.2 Diversity policy**

Following reinstatement of the Company's securities to official quotation on the ASX, the Board will review and adopt a suitable diversity policy for the management and employees of the Contango Group.

### **3.3 Securities trading policy**

By promoting director and employee ownership of shares, the Board hopes to encourage directors and employees to become long-term holders of Company securities, aligning their interests with those of the Company. It does not condone short-term or speculative trading in its securities by directors and employees. The Company has a comprehensive securities trading policy which applies to all directors, employees and key management personnel of the Group. The policy aims to inform directors and employees of the law relating to insider trading, and provide them with practical guidance for avoiding unlawful transactions in Company securities. The Company has reviewed and updated its securities trading policy as necessary in order to fully comply with the ASX's new requirements for company trading policies introduced through an amendment to the ASX Listing Rules, which came into effect on 1 January 2011.

***A copy of the Company's Securities Trading Policy is available on the Company's website under the Corporate Governance section.***

## **4. Audit & Risk Committee**

The Company has established an Audit & Risk Committee to provide advice and assistance to the Board in discharging its corporate governance and oversight responsibilities in relation to the Company's financial reporting process, internal financial control, risk management system, legal compliance and the external auditing process. The Audit & Risk Committee has a formal charter which is available on the Company's website. In discharging its obligations, the Audit & Risk Committee has direct access to any employee, the auditors or any other independent experts and advisers it considers appropriate to carry out its duties.

The composition of the Audit & Risk Committee is Martin Switzer (chairperson), Charles Aitken (independent member and non-executive director) and Roger Amos (independent member and non-executive director).

The composition of the Audit & Risk Committee will be set out in the relevant table in the Directors' Report of the Annual Report, and the number of committee meetings and attendance at those meetings will be set out in the same table.

The chair of the Audit & Risk Committee is not the chair of the Board but is not an independent director, as recommended by the ASX Principles and Recommendations. The Board considers that the inclusion of two independent members together with the non independent non-executive chair, comprise members who possess sufficient skills and experience and no affiliations to the current auditor to provide appropriate advice to the Board and management regarding the adequacy of accounting judgements and to oversee the corporate reporting process.

***A copy of the Company's Audit and Risk Committee Charter is available on the Company's website under the Corporate Governance section.***

The Board of the Company, before it approves the Company's financial statements for a financial period, receives from the Managing Director 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.

It is HLB Mann Judd Assurance (NSW) Pty Ltd's policy to comply with the requirements of the Corporations Act 2001 and rotate the role of audit engagement partner after five consecutive years, with the exception of circumstances where the approval of the Board of the Company is provided for an extension of the term for a maximum of two additional years.

## **5. Disclosure**

### **Continuous disclosure and communications policy**

The Company is committed to complying with its continuous disclosure obligations as set out in the ASX Listing Rules and the ASX Principles and Recommendations.

The Company has adopted a comprehensive policy governing continuous disclosure and communication to investors and shareholders which complies with the ASX Principles and Recommendations.

***A copy of the Company's Continuous Disclosure and Communications Policy is available on the Company's website under the Corporate Governance section.***

## **6. Shareholder communication**

### **6.1 Communications and Investor Relations policy**

The Company aims to ensure that investors, shareholders and the financial market have timely access to material information concerning the Company. The Company's communications policy sets out the communication guidelines established by the Company. The Company uses its website to complement the official release of material information and periodic reports to the market including ensuring that all press releases, ASX announcements and notices of and presentations made at general meetings for at least the past three years are available on the website.

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

### **6.2 Auditor availability**

The Company's external auditor, HLB Mann Judd Assurance (NSW) Pty Ltd, attends the Company's annual general meeting and is available to answer questions raised by shareholders concerning the conduct of the audit and the preparation and content of the auditor's report.

### **6.3 Meetings of Security Holders**

The Company encourages the attendance and participation of its security holders at any meetings of security holders. Invitations are issued to the security holders' nominated address and meetings are held at a Sydney CBD location that is convenient to transport and during normal business hours. During these meetings, attendees are encouraged by the Chair to ask questions.

## **7. Recognise and manage risk**

### **Risk management**

The Board, on advice and recommendation of the Audit & Risk Committee, oversees and manages the risks to which the Company is exposed. The Audit & Risk Committee's role and responsibilities for risk oversight and management are set out in the Audit & Risk Committee charter. These include:

- overseeing the Company's financial reporting and understanding current areas of greatest financial risk and how these are being managed;
- understanding internal control systems for financial transactions, recording and processing of financial data and compliance of financial statements with relevant standards and requirements;
- ensuring compliance with legal and regulatory obligations, accounting standards and best practice guidelines;
- evaluating the overall effectiveness of the internal control and risk management frameworks and considering whether recommendations made by the external auditors have been implemented by management; and
- considering accountability of management for risks associated with computer systems and applications.

The Audit & Risk Committee reports to the Board at least twice each year on all matters relating to its responsibilities for risk management. The Board reviews the Audit & Risk Committee's reports and recommendations and makes an assessment of the effectiveness of the Company's systems and processes for risk management. Under its Charter, the Audit & Risk Committee requires management to design and implement a risk management and internal control matrix to manage the company's material business risks. Management is required to report to the Audit & Risk Committee annually on how the company is performing against its risk management matrix. The risk matrix was last reviewed in February 2015. The Board will review the risk matrix following reinstatement of the Company's securities to official quotation on the ASX.

The Company does not have any material exposure to environmental and social sustainability risks.

The Company's exposure to financial and economic risks will be addressed as part of the Board's risk management and control processes, and will be disclosed in the Notes to the Financial Statements for the Annual Report.

## **8. Role of Company Secretary**

The Company Secretary of the Company is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

### **Contact for further information:**

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