

Tyrian Diagnostics Limited (proposed to be renamed Contango Asset Management Limited)

ACN 080 277 998

Notice of the Extraordinary General Meeting to be held on Thursday, 25 August 2016

Explanatory Memorandum for the Notice of Extraordinary General Meeting

and

Proxy Form

**NOTICE OF THE EXTRAORDINARY GENERAL MEETING TO BE HELD AT THE OFFICES OF
K&L GATES, LEVEL 31, 1 O'CONNELL STREET, SYDNEY**

AT 9.00AM (AEST) ON THURSDAY, 25 AUGUST 2016

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU
ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE PLEASE CONSULT YOUR
STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**The Directors of the Company unanimously recommend Shareholders vote in favour of all
of the Resolutions.**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE EXTRAORDINARY GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 9.00 A.M.
AUSTRALIAN EASTERN STANDARD TIME ON TUESDAY, 23 AUGUST 2016**

Section A – Chairman's Letter

26 July 2016

Dear Shareholder

On behalf of the Board, I have the pleasure in inviting you to an Extraordinary General Meeting (**EGM**) of the Shareholders of Tyrian Diagnostics Limited ACN 080 277 998 (**Company**) which will be held at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000 on Thursday, 25 August 2016 at 9.00am (AEST).

The Notice of Meeting and Explanatory Memorandum are enclosed. Please read these documents carefully. A proxy form is enclosed to enable any Shareholder who is unable to attend the EGM to vote at the meeting.

Your Directors intend to vote in favour of all of the Resolutions, where legally entitled to do so, and recommend that you vote in favour of all the Resolutions, where likewise legally entitled to do so.

Your Directors believe that the proposed SPV Acquisition and Offer and related Share grants are in the best interests of the Company and will enable the Company to become a funds management business with exciting potential for Shareholders.

Background

On 30 June 2016 Contango MicroCap Limited (**CTN**) sold 100% of the issued capital of 2735 CSM Holdings Pty LTD ACN 085 657 147 (**CSM**) to CAM SPV Pty Ltd ACN 612 978 800 (**SPV**) as part of a management buy-out of the Contango funds management business conducted by Contango Asset Management Limited ACN 085 487 421 (**CAML**). The consideration for the sale was a cash payment of \$13 million, with 80% payable on a deferred basis subject to a post-completion net asset adjustment.

On 24 June 2016, the Company entered into an implementation agreement (**Implementation Agreement**) with SPV that provides that the Company will acquire all of the shares in SPV (**SPV Acquisition**) subject to the Shareholders approving all of the Resolutions and the completion of the Company's fully underwritten prospectus capital raising of \$17,185,980. The prospectus offer will be fully underwritten by Taylor Collison stockbrokers.

ASX has advised that pursuant to Chapter 11 of the ASX Listing Rules the Company will be required to:

- (a) obtain shareholder approval for the SPV Acquisition for the purposes of Listing Rule 11.1.2; and
- (b) re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3.

The Company proposes to undergo a capital consolidation on the basis of 1 Share for every 300 existing Shares. Proceeds from the prospectus offer will be used to pay the \$13 million purchase price for the acquisition of CSM and for working capital and transaction costs.

If the Company's shareholders do not pass all of the Resolutions at the EGM, the Company will not acquire all of the shares in SPV (and hence will not acquire the Contango Group) and the Offer under the Prospectus will not open.

If you have any questions about this Notice of Meeting, please contact me, Roger Amos, the Chairman on 0411 447 194.

Once again, on behalf of the Board I would like to thank you for your continued support, which has enabled the board to deliver to you what directors believe to be a new direction with substantial potential.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Roger Amos". The signature is fluid and cursive, with the first name "Roger" and the last name "Amos" clearly distinguishable.

Roger Amos
Chairman

Section B – Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000 on Thursday, 25 August 2016 at 9.00am (AEST).

Capitalised terms have the meaning given in the Glossary, Section C of this Notice of Meeting.

Business

1. Resolution 1: Approval of Share Consolidation

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of section 254H of the Corporations Act and for all other purposes, approval be given for the consolidation of every 300 Shares on issue by the Company into 1 Share, and that any fractions of a Share be rounded up to the next whole number of ordinary Shares. The consolidation of the Shares will take effect on the second Business Day after the date of the General Meeting at which this Resolution is passed."

2. Resolution 2: Approval of SPV Acquisition and Change in Nature and Scale of Activities

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of ASX Listing Rules 11.1.2 and 11.1.3 and for all other purposes approval is given for the Company to:

- (a) undertake and complete the SPV Acquisition on the terms and conditions of the Implementation Agreement; and*
- (b) change the nature and scale of the Company's activities*

each with effect on successful completion of the Offer and as described in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

3. Resolution 3: Approval to issue Offer Shares under the Prospectus

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue 28,643,300 Shares at an issue price of \$0.60 per Share, to raise \$17,185,980 pursuant to the Offer, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

4. Resolution 4: Approval to allot and issue Offer Shares to Related Parties

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, the Company is authorised to allot and issue:

- (a) up to 333,333 Offer Shares at an issue price of \$0.60 each to Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust (and/or its nominee);
- (b) up to 110,000 Offer shares at an issue price of \$0.60 each to Marilyn Sleigh (75,000 shares to be held by Marilyn Sleigh and Raoul de Ferranti ATF for Lansdowne Superannuation Fund and 35,000 shares to be subscribed for by Marc de Ferranti, her son);
- (c) up to 80,000 Offer Shares at an issue price of \$0.60 each to Roger Amos;
- (d) up to 333,333 Offer Shares at an issue price of \$0.60 each to Alhambra Investments Pty Ltd ACN 605 912 392, a nominated entity of George Boubouras;
- (e) up to 166,666 Offer Shares at an issue price of \$0.60 each to Charles Richard Aitken and Ellie Celia Aitken ATF C&E Aitken Super Fund; and
- (f) up to 166,666 Offer Shares at an issue price of \$0.60 each to Barcom Holdings Pty Ltd ACN 613 555 847, the nominated entity of Martin Switzer ".

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

5. Resolution 5: Approval to issue 600,000 Shares to TC Corporate Pty Ltd ACN 075 963 352

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue 600,000 Shares to TC Corporate Pty Ltd ACN 075 963 352, in satisfaction of corporate advisory fees payable by the Company in connection with the Transactions, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

6. Resolution 6: Approval to issue 105,659 Shares to Paul Rickard

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue 105,659 Shares to the nominated entity of Paul Rickard, Rickard Super Fund Pty Ltd ACN 142 194 750 in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd ACN 112 294 649 in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd ACN 112 294 649 to Contango Asset Management Limited, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

7. Resolution 7: Approval to issue 211,318 Shares to Peter and Maureen Switzer

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, the Company is authorised to issue 211,318 Shares to the nominated entity of Peter and Maureen Switzer, being Peter, Maureen, Martin and Alexander Switzer as trustees of the Switzer Family Superannuation Fund ABN 32 398 293

315, in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd ACN 112 294 649 in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd ACN 112 294 649 to Contango Asset Management Limited, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

8. Resolution 8: Approval of Employee Share Incentive Plan

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, the Employee Share Incentive Plan (ESIP), which is summarised in the attached Explanatory Memorandum, be approved for all purposes including pursuant to Exception 9(b) of Listing Rule 7.2, sections 259B and 260C(4) of the Corporations Act, and the issue of Shares under the terms of the ESIP within 3 years from the date of this resolution be an exception to Listing Rule 7.1 and 7.1A."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 8 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel, details of whose remuneration are include in the Remuneration Report; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 9: Approval of Employee Loan Share Plan

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, the Employee Loan Share Plan (Share Plan), which is summarised in the attached Explanatory Memorandum, be approved for all purposes including Exception 9(b) of Listing Rule 7.2, sections 259B and 260C(4) of the Corporations Act and the issue of Shares under the Share Plan within 3 years from the date of this resolution be an exception to Listing Rule 7.1 and 7.1A."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 9 if:

- (a) the proxy is either:

- (i) a member of the Key Management Personnel, details of whose remuneration are include in the Remuneration Report; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 10: Approval to issue 1,166,479 Shares to George Boubouras, 418,411 Shares under the ESIP and 2,007,527 Shares under the Share Plan

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rules 10.11 and 10.14 and for the purposes of sections 260B(4) and 259B of the Corporations Act all other purposes, approval is given for the Company to grant:

- (a) 1,166,479 Shares;
- (b) 418,411 Shares under the ESIP; and
- (c) 2,007,527 Shares under the Share Plan

to George Boubouras' nominated entity, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 10 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel, details of whose remuneration are include in the Remuneration Report; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. Resolution 11: Approval to issue 211,319 Shares to Martin Switzer

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 211,319 Shares to Barcom Holdings Pty Ltd ACN 613 555 847, the nominated entity of Martin Switzer, non-executive director of the Company, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 11 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel, details of whose remuneration are include in the Remuneration Report; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. Resolution 12: Approval to issue 211,319 Shares to Charles Richard Napier Aitken

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 211,319 Shares to Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund, the nominated entity of Charles Richard Napier Aitken, non-executive director of the Company, on the terms and conditions set out in the Explanatory Memorandum."

Refer to the Voting Exclusion Statement that applies to Resolutions 2 to 12 inclusive

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 12 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel, details of whose remuneration are include in the Remuneration Report; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statement for Resolutions 2 to 12 inclusive

The Company will disregard any votes cast on Resolutions 2 to 12 by, or on behalf of:

- (a) each of Yoix Pty Ltd ACN 008 129 262 atf S.T O'Loughlin Family Trust, Marilyn Sleigh and Raoul de Ferranti ATF for Lansdowne Superannuation Fund;
- (b) each of George Boubouras and his nominated entities, Henley Holdings Aust Pty Ltd ATF Henley Holdings Family Trust and Alhambra Investments Pty Ltd ACN 605 912 392;
- (c) Charles Richard Napier Aitken and his nominated entity, Charles Richard Aitken and Ellie Celia Aitken ATF C&E Aitken Super Fund;
- (d) Martin Switzer and his nominated entity, Barcom Holdings Pty Ltd ACN 613 555 847;
- (e) TC Corporate Pty Ltd ACN 075 963 352;
- (f) Peter, Maureen, Martin and Alexander Switzer as trustees of the Switzer Family Superannuation Fund ABN 32 398 293 315;
- (g) Paul Rickard and his nominated entity, Rickard Super Fund Pty Ltd ACN 142 194 750;
- (h) Pacific Point Partners Limited, company number 301266;
- (i) a director of the Company;
- (j) a person who may participate in the proposed issue of Offer Shares;
- (k) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if these Resolutions are passed;
- (l) an associate of such persons.

However, the Company will not disregard a vote if:

- (m) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (n) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

13. Resolution 13: Change of Company Name

To consider and, if thought fit, pass the following resolution as a Special Resolution:

"That, subject to the passing of all other Resolutions and the consent of ASIC, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to "Contango Asset Management Limited" with effect from the date on which ASIC alters the details of the Company's registration to reflect the change of name."

14. Resolution 14: Election of George Boubouras as a Director

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, that for the purposes of Listing Rule 14.4, and for all other purposes, George Boubouras, being eligible, is elected and appointed as a Director with immediate effect."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 14 by George Boubouras or by any associate of George Boubouras. However, votes will not be disregarded if:

- (a) they are cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- (b) they are cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

15. Resolution 15: Election of Charles Richard Napier Aitken as a Director

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, that for the purposes of Listing Rule 14.4, and for all other purposes, Charles Richard Napier Aitken, being eligible, is elected and appointed as a Director with immediate effect."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 15 by Charles Richard Napier Aitken or by any associate of Charles Richard Napier Aitken. However, votes will not be disregarded if:

- (a) they are cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- (b) they are cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

16. Resolution 16: Election of Martin Switzer as a Director

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"That, subject to the passing of all other Resolutions, that for the purposes of Listing Rule 14.4, and for all other purposes, Martin Switzer, being eligible, is elected and appointed as a Director with immediate effect."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 16 by Martin Switzer or by any associate of Martin Switzer. However, votes will not be disregarded if:

- (a) they are cast by a person as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- (b) they are cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Section C – Glossary

1. Definitions

The following definitions are used in the Notice of Meeting and the Explanatory Memorandum:

AEST means Australian Eastern Standard Time;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given to that term by sections 10 to 17 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX;

Board means the board of Directors of the Company;

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney, New South Wales;

Company or TDX means Tyrian Diagnostics Limited ACN 080 277 998 (proposed to be renamed 'Contango Asset Management Limited') subject to the passage of the Resolutions;

CAML means Contango Asset Management Limited ACN 085 487 421, to be renamed 'Contango Funds Management Limited' prior to the date of the EGM;

CGS means Contango Group Services Pty Limited ACN 085 586 590;

CIE means Contango Income Generator Limited ACN 160 959 991;

CIE Investment Management Agreement means the investment management agreement dated 24 June 2016 between CIE and CAML as fund manager;

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth)

CSM means 2735 CSM Holdings Pty Ltd ACN 085 657 147;

CSM Acquisition means the acquisition by SPV of 100% of the issued shares in CSM from CTN pursuant to the Share Sale Agreement;

CTN means Contango MicroCap Limited ACN 107 617 381;

CTN Investment Management Agreement means the investment management agreement dated 24 June 2016 between CTN and CAML as fund manager;

Contango Group means CSM, CAML and CGS and CSM's 46.25% equity interest in Switzer;

Corporations Act or **Act** means the *Corporations Act 2001 (Cth)*;

Director means a director of the Company;

EGM or **Extraordinary General Meeting** or **Meeting** mean the extraordinary general meeting of the Shareholders of the Company convened by the Notice of Meeting;

ESIP means the employee share incentive plan established by the Company, a summary of which is set out in Section 8.8 of the Explanatory Memorandum;

Explanatory Memorandum means the explanatory memorandum set out in Section D of this document;

Group means the Company, SPV and Contango Group on completion of the SPV Acquisition;

Implementation Agreement means the implementation agreement between the Company, SPV and the SPV Shareholder dated 24 June 2016;

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group;

Managing Director means George Boubouras, the proposed managing director of the Group;

Notice of Meeting or **Notice** mean the notice of Extraordinary General Meeting set out in Section B of this document;

Offer means the public offer under the Prospectus to raise \$17,185,980 through the issue of 28,643,300 Offer Shares (post Share Consolidation) at an issue price of \$0.60 per Share;

Offer Shares means the new Shares being offered under the Prospectus (being 28,643,300 Shares) (post Share Consolidation) at a subscription price of \$0.60 per Share;

Option means an option to subscribe for a Share;

Ordinary Resolution means a resolution passed by more than 50% of the Shareholders eligible to vote on the relevant resolution and present at the EGM, either in person or by proxies;

Pacific Point means Pacific Point Partners Limited, company number 301266, being a company incorporated in the Cayman Islands which is jointly controlled by James Packer and Rob Rankin;

Pacific Point Commitment Deed means the commitment deed between Pacific Point and the Company dated 24 June 2016, as amended by deed dated 21 July 2016;

Pacific Point Loan Agreement means the loan agreement between Pacific Point as lender and SPV as borrower dated 24 June 2016;

Pacific Point Options means the 345,000 Options to be issued to Pacific Point pursuant to the Pacific Point Option Deed;

Pacific Point Option Deed means a deed between Pacific Point and the Company dated 24 June 2016 in respect of the grant of the Pacific Point Options, as amended by deed dated 21 July 2016;

Proposed Directors means George Boubouras (the incoming Managing Director), Charles Richard Napier Aitken and Martin Switzer;

Prospectus means a prospectus in accordance with section 710 of the Corporations Act to be issued by the Company in respect of the Offer and which will be lodged with ASIC after the date of this Notice of Meeting and includes any supplementary or replacement prospectus lodged by the Company;

Resolution means a resolution to be considered at the Meeting as contained in the Notice of Meeting;

Share means a fully paid ordinary share in the capital of the Company;

Share Consolidation means the consolidation of Shares referred to in Resolution 1;

Shareholder means a holder of Shares;

Share Plan means the employee loan share plan established by the Company, a summary of which is set out in Section 8.9 of the Explanatory Memorandum;

Share Sale Agreement or **SSA** means the share sale agreement in relation to the CSM Acquisition dated 24 June 2016 between CTN as vendor and SPV as purchaser;

Special Resolution means a resolution:

- (a) of which notice has been given as set out in section 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution;

SPV means CAM SPV Pty Ltd ACN 612 978 800;

SPV Acquisition means the acquisition by the Company of 100% of the issued shares in SPV from the SPV Shareholder pursuant to the Implementation Agreement;

SPV Shareholder means the sole shareholder of SPV, being Kyriakos Lakis Poutakidis;

Sub-underwriting Agreement means the firm allocation and sub-underwriting agreement between Taylor Collison and Pacific Point dated 24 June 2016, as amended by deed dated 21 July 2016;

Switzer means Switzer Asset Management Limited ABN 26 123 611 978;

Taylor Collison means Taylor Collison Limited ABN 53 008 172 450 AFSL 247083;

Trade Mark Licence Deeds means:

- (a) the trade mark licence deed between CAML as licensor and CTN as licensee dated 24 June 2016; and
- (b) the trade mark licence deed between CAML as licensor and CIE as licensee dated 24 June 2016;

Transactions means completion of the Share Consolidation, SPV Acquisition (which involves a change in nature of the Company's activities), capital raising pursuant to the Offer, issue of Shares to Directors and under the ESIP and Share Plan, issue of Pacific Point Options and re-compliance with Chapters 1 and 2 of the Listing Rules; and

Underwriting Agreement means the underwriting agreement between the Company, SPV and Taylor Collison dated 24 June 2016, as amended by deed dated 21 July 2016.

2. Interpretation

For the purposes of interpreting the Explanatory Memorandum and the Notice of Meeting:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all considerations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice of Meeting;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors and substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **\$, A\$, Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

Section D – Explanatory Memorandum

Introduction

This Explanatory Memorandum has been prepared to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Extraordinary General Meeting of the Company to be held at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney NSW 2000 on Thursday, 25 August 2016 at 9.00am (AEST).

1. Background to the Resolutions

1.1 Overview of Transactions

As announced by the Company on 24 June 2016, the Company entered into the Implementation Agreement, Underwriting Agreement, Pacific Point Option Deed and Pacific Point Commitment Deed in connection with the SPV Acquisition and Offer.

The proposed SPV Acquisition (subject to Shareholder approval) will result in a significant change to the nature and scale of the Company's activities. The Company's activities will cease to be diagnostic healthcare and the Company will become the ultimate holding company of SPV and the Contango Group, being the funds management group, details of which are set out in Section 2 of this Explanatory Memorandum.

The Company's Shares will remain suspended from quotation until the Company re-complies with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules pursuant to ASX Listing Rule 11.1.3.

As announced by CTN on 24 June 2016 and 30 June 2016, SPV acquired 100% of the shares in CSM pursuant to the Share Sale Agreement. Completion of the Share Sale Agreement occurred on 30 June 2016 resulting in SPV becoming the holding company of the Contango Group. The purchase price for the CSM Acquisition was \$13 million and is subject to a post completion target net asset adjustment.

SPV is a special purpose vehicle that was incorporated on 14 June 2016 with a sole director, secretary and shareholder (Mr Kyriakos Lakis Poutakidis) to facilitate the management buy-out of the Contango Group from CTN.

SPV is neither a related party of the Company nor CTN. CTN, which entity sold its shares in CSM to SPV, is neither a related party of SPV nor the Company. The sale of the shares in CSM by CTN (which is listed on the ASX) did not require the approval of CTN's shareholders under the Listing Rules.

Pursuant to the Share Sale Agreement, on 30 June 2016, SPV paid to CTN an initial cash instalment of 20% of the purchase price, being \$2.6 million. The \$2.6 million was funded by a secured loan advanced by Pacific Point pursuant to the Pacific Point Loan Agreement.

SPV is required to pay, or procure the payment to, CTN the balance of the purchase price in cash, being \$10.4 million, by 31 October 2016.

Subject to the Shareholders approving all of the Resolutions set out in the Notice of Meeting, the Company proposes to conduct the Offer, being a capital raising pursuant to the Prospectus. As at the date of this Notice of Meeting, the Prospectus has not yet been lodged with ASIC. The Company will make an announcement when the Prospectus is lodged.

The purpose of the Offer is to raise \$17,185,980.00 which will be used by the Company as follows:

- (a) for SPV to repay all principal and interest owing under the Pacific Point Loan Agreement;
- (b) for SPV to pay the balance of the purchase price owing to CTN under the Share Sale Agreement;
- (c) for transaction costs including legal, accounting, underwriting and adviser costs; and
- (d) for working capital purposes of the Company post completion of the SPV Acquisition.

On successful completion of the capital raising under the Offer and subject to Shareholders approving all of the Resolutions, the Company will acquire for \$2.00 the issued capital in SPV from the SPV Shareholder, which results in the Company becoming the ultimate holding company of SPV and the Contango group.

100% of the amount being raised under the Offer has been underwritten by Taylor Collison pursuant to the Underwriting Agreement. Taylor Collison has entered into the Sub-Underwriting Agreement with Pacific Point, pursuant to which Pacific Point will be allocated, regardless of any shortfall, 8,448,785 Shares (post Share Consolidation) at \$0.60 per Share.

In addition to the Shares to be issued under the Offer, the Company has established the ESIP and Share Plan and will, subject to all of the Resolutions being passed, issue a total of 8,448,521 Shares to certain Directors and senior management employees to incentivise key talent of the Contango Group.

Subject to Shareholders approving the Resolutions, at the conclusion of the EGM:

- (a) current directors Marilyn Sleigh and Simon O'Loughlin will resign; and
- (b) George Boubouras (Managing Director), Martin Switzer and Charlie Aitken will be appointed directors of the Company.

Roger Amos will remain on the board of the Company.

On completion of the capital raising under the Offer, the grant of Shares under the ESIP and Share Plan, grant of Shares to Proposed Directors and Associates and the grant of 600,000 Shares to TC Corporate Pty Ltd, Pacific Point will hold 19.99% of the issued capital of the Company. Pacific Point is an entity owned and controlled by James Packer and Robert Rankin.

Pursuant to the Pacific Point Commitment Deed, for so long as Pacific Point holds 15% of the issued capital of the Company, Pacific Point has the right to nominate one director to the board of the Company.

Pursuant to the Pacific Point Option Deed, the Company will grant on completion of the capital raising under the Offer, a total of 345,000 Options with an exercise price of \$0.60 expiring 5 years from the date of grant. The issue of the Pacific Point Options does not require approval under the Listing Rules.

1.2 Summaries of key terms of the Transaction Documents

(a) Implementation Agreement

The Company, SPV and SPV Shareholder are parties to the Implementation Agreement. The Implementation Agreement provides that the Company will convene this EGM, conduct the Offer and lodge the Prospectus. The Implementation Agreement also provides that the

Company will purchase all of the shares (being 2 fully paid ordinary shares, which were issued at \$1 each) in SPV for \$2.00 on successful completion of the Offer and subject to:

- (i) the Resolutions being passed by the Shareholders; and
- (ii) each of the Underwriting Agreement, the Share Sale Agreement, Pacific Point Commitment Deed and Sub-Underwriting Agreement remaining in full force and effect and having not been terminated.

The SPV Shareholder provides warranties to the Company regarding the shares in SPV, compliance, solvency, power and authority and information.

The Company is also subject to an exclusivity and no-talk obligation until 31 October 2016 prohibiting the Company, related bodies corporate and representatives from participating in any discussions in relation to a competing transaction.

Each Resolution is inter-conditional on the passage of each other Resolution contained in the Notice of Meeting. If Shareholders do not approve all of the Resolutions the SPV Acquisition will not proceed, the Company will not open the Offer, none of the Shares the subject of the Resolutions will be issued and the board of the Company will not change. The Implementation Agreement terminates in the event that Shareholders do not approve all of the Resolutions at the EGM.

(b) Share Sale Agreement for CSM Acquisition

Under the Share Sale Agreement, CTN as vendor provides comprehensive warranties to SPV as purchaser in relation to the shares sold in CSM to SPV and the Contango Group. Completion occurred on 30 June 2016 and SPV acquired title to 100% of the shares in CSM.

CSM is the holding company of CAML, the funds manager, CGS, the employer entity and has a 46.25% non-controlling shareholding in Switzer.

The consideration for the sale was \$13 million payable in cash and subject to a post-completion adjustment (as an increase to the purchase price, to the extent that the net assets of CSM, CGS and CAML as at 30 June 2016 are in excess of \$300,000 or as a decrease to the purchase price, to the extent that the net assets of CSM, CGS and CAML as at 30 June 2016 are less than \$300,000). 20% of the purchase price, being \$2.6 million, was paid by SPV to CTN on 30 June 2016. As at the date of this Explanatory Memorandum, the net asset amount for 30 June 2016 has not yet been finalised in accordance with the Share Sale Agreement.

The balance of \$10.4 million is payable by 31 October 2016. As security for payment of the deferred purchase price owing to CTN, each of SPV, CSM, CAML and CGS have granted a first ranking fixed and floating charge over their assets and undertaking and a mortgage of shares held in CSM, CAML, CGS and Switzer.

The maximum amount that SPV can claim for breach of warranties and indemnities under the Share Sale Agreement is 75% of the purchase price, except for share title, capacity and tax claims where 100% of the purchase price can be claimed subject to standard limitations and time limits (five years from 30 June 2016 for tax, three years from 30 June 2016 for title and capacity and 18 months from 30 June 2016 for other claims).

Subject to completion of the SPV Acquisition, the Company through becoming the parent company of SPV will obtain the benefit of the warranties, indemnities and non-compete restrictive covenants provided by CTN under the Share Sale Agreement.

Pursuant to the Share Sale Agreement, CTN and its related bodies corporate are subject to restraint of trade provisions that apply for the maximum geographic territory of Australia and for a maximum period of 2 years from 30 June 2016.

Under the restraint of trade provisions, CTN and its related bodies corporate are prohibited from:

- (a) establishing any new wholesale or retail fund or managed investment scheme that is in competition with any funds operated by CSM, CAML and CGS as at 30 June 2016, without the prior consent of SPV;
- (b) engaging in a business or an activity that is the same or substantially similar to the funds management business carried on by CSM, CAML and CGS as at 24 June 2016 (**Restrained Business**), or any material part of the Restrained Business, or in competition with the Restrained Business or any material part of the Restrained Business;
- (c) establishing or acquiring an interest in any listed investment company or funds manager that uses the name 'Contango' or Contango logo or any name or mark that is misleadingly similar to the name 'Contango' or Contango logo;
- (d) soliciting persons who were customers in the previous 6 months and inducing senior management and key personnel to leave their employment with CSM, CAML and CGS.

Subject to completion of the Offer, the Company will use the funds raised to pay the \$10.4 million balance cash purchase price that is owed by SPV to CTN under the Share Sale Agreement.

(d) Underwriting Agreement

The Company has appointed Taylor Collison to act as exclusive underwriter to underwrite 100% of the amount to be raised under the Offer (being \$17,185,980) pursuant to the Underwriting Agreement. The Company has undertaken to allocate a minimum of 50% of the Offer Shares to the Underwriter.

On completion of the Offer the Company must pay (out of the proceeds of the Offer) to Taylor Collison an underwriting commission of 4% of the underwritten amount and a management fee of 2% of the underwritten amount.

The obligations of Taylor Collison under the Underwriting Agreement in respect of the Offer are subject to the following conditions:

- (a) the shareholders of the Company passing the Resolutions;
- (b) the Company lodging the Prospectus with the ASX and ASIC and the Prospectus has not been withdrawn;
- (c) the Company has received approval (excluding any standard conditions) from the ASX for the official quotation of the new Shares under the Offer on ASX; and
- (d) the Company not having suffered an insolvency event.

The only circumstances in which Taylor Collison may terminate the Underwriting Agreement in relation to the Offer are if an insolvency event occurs in relation to the Company or if approval for the quotation of all of the new Shares offered under the Offer on the ASX is refused, not granted or granted subject to any condition (excluding any standard conditions)

which is unacceptable to Taylor Collison as underwriter (acting reasonably) or is subsequently withdrawn.

The underwriting of the Offer Shares by Taylor Collison and issue of 600,000 Shares to TC Corporate Pty Ltd in satisfaction of corporate advisory fees payable by the Company, will not result in Taylor Collison, TC Corporate Pty Ltd and their associates acquiring a relevant interest in the Company's securities in excess of 19.9% that is prohibited under section 606 of the Corporations Act.

(e) Pacific Point Documents

Pacific Point has agreed, pursuant to the Sub-Underwriting Agreement between Taylor Collison and Pacific Point, to participate in the Offer and subscribe for 8,448,785 Shares in the Company (which is equivalent to 19.99% of the Shares on a fully diluted basis following the issue of Shares on completion of the Offer and all grants of Shares the subject of the Resolutions, including all Shares granted under the ESIP and Share Plan). Pacific Point is entitled to be paid by Taylor Collison a sub-underwriting fee of 6% of the sub-underwritten amount on performance of Pacific Point's sub-underwriting commitment.

Under the Pacific Point Commitment Deed, subject to Pacific Point complying with its obligations under the Sub-Underwriting Agreement and the conditions to the Underwriting Agreement being satisfied prior to the closing date of the Offer, the Company undertakes to Pacific Point that it will take all steps that are within its control to ensure that 8,448,785 Shares are issued to Pacific Point in accordance with the Sub-Underwriting Agreement.

For so long as Pacific Point holds not less than 15% of Shares, Pacific Point will be entitled to nominate a person to be appointed as a director of the Company.

Following completion of the Offer, Pacific Point may transfer its board nominee rights to a related body corporate of Pacific Point or Consolidated Press Holdings Pty Limited or an entity controlled by Robert Rankin, James Packer or any of the foregoing persons, provided that the transferee holds not less than 15% of the Shares and holds, or will be transferred at the same time, the Pacific Point Options.

Pacific Point is not a related party of the Company. Pacific Point is jointly owned and controlled by James Packer and Robert Rankin.

(f) Pacific Point Options

In consideration of Pacific Point agreeing to loan \$2.6 million to SPV (at 7% per annum interest) pursuant to the Pacific Point Loan Agreement and in consideration of Pacific Point agreeing to participate in the Offer pursuant to the Sub-Underwriting Agreement and Pacific Point Commitment Deed, the Company has agreed to grant Pacific Point 345,000 Options on completion of the Offer.

If the Offer does not complete, the Pacific Point Options will not be granted.

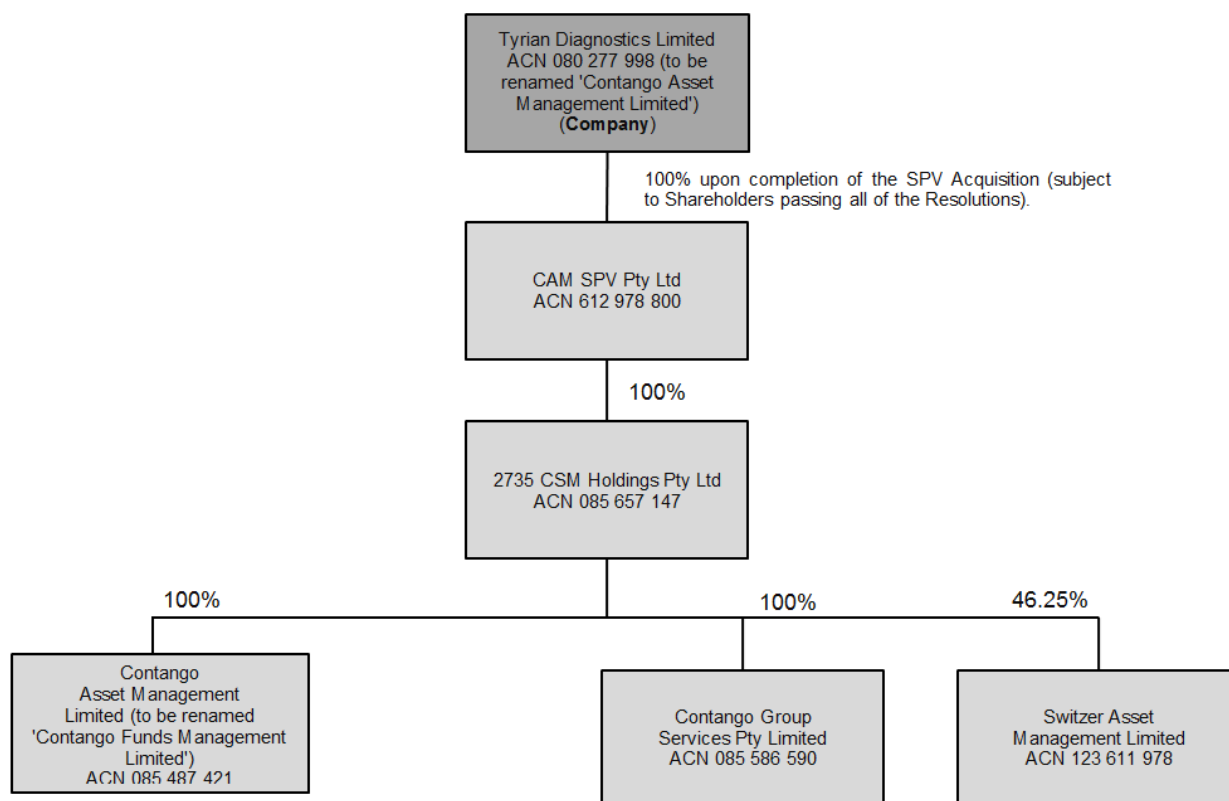
Each Option entitles the holder to subscribe for one fully paid Share. The exercise price of each Option is \$0.60.

Subject to any restriction under section 606 of the Corporations Act, the Options may be exercised at any time on and from the one year anniversary of the date of completion of the Offer and issue of Shares under the Offer (**Offer Completion Date**) until the fifth anniversary of the Offer Completion Date. Any Options not exercised automatically expire and lapse on the expiry date.

2. Contango Group

2.1 Group structure

Subject to the Shareholders approving the Resolutions and the completion of the Offer and SPV Acquisition, the group will comprise the following entities:



2.2 CTN Investment Management Agreement

CAML is the funds manager of the investment portfolio of CTN pursuant to the CTN Investment Management Agreement between CTN and CAML dated 24 June 2016. The initial term of CAML's appointment by CTN as funds manager is 5 years from 24 June 2016. After the initial term, the agreement continues in force until terminated in accordance with the termination provisions of the CTN Investment Management Agreement.

CAML has been appointed as the sole manager of the CTN portfolio and must not without the prior written consent of CTN promote or manage the business or portfolio of an investment entity that is listed on ASX (or any other Australian securities exchange or financial market) and has:

- (a) an investment strategy of investing in ordinary shares, preference shares, convertible notes, units or other securities of 'Listed Microcaps'; or
- (b) an investment strategy that is identical, substantially similar or deceptively similar to the investment strategy of CAML.

'Listed Microcap Fund' means an entity that is listed on ASX (or any other Australian securities exchange or financial market) and has a market capitalisation of less than \$350 million or is not included in the S&P/ASX 200 Index.

Under the CTN Investment Management Agreement CAML is entitled to be paid by CTN a management fee equal to 1.25% per annum on the first \$200 million of funds under management and then 1% per annum on the value of funds under management in excess of \$200 million. The management fee is payable quarterly in arrears and in cash only.

CTN may terminate the CTN Investment Management Agreement at any time after the commencement date of the CTN Investment Management Agreement if (amongst other things):

- (a) CAML sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of CAML or of a beneficial interest in that main business or undertaking; or
- (b) a person acquires a relevant interest in voting shares in CTN where because of the acquisition that person's voting power in CTN exceeds 50% and such person did not have the relevant interest at the date of the CTN Management Agreement; or
- (c) a receiver, receiver and manager, administrator or similar person is appointed with respect to the assets and undertakings of CAML; or
- (d) at a general meeting of CTN, the shareholders of CTN pass an ordinary resolution approving the termination of the CTN Investment Management Agreement, provided that CAML has had a reasonable opportunity to state its case in materials provided to shareholders of CTN prior to the general meeting and in person at the general meeting.

At any time after the CTN Investment Management Agreement has been in force for more than 10 years (without being renewed or its term extended by affirmative vote of the shareholders of CTN), the shareholders of CTN in a general meeting may pass an ordinary resolution approving termination of the CTN Investment Management Agreement.

CTN must indemnify CAML against any and all losses, liabilities, damages, outgoings, costs and expenses reasonably incurred by CAML that are due and payable by CAML to a third party other than CTN and arise out of, or in connection with CAML, its employees, officers

or agents acting under the CTN Investment Management Agreement or on account of any bona fide investment decision made by CAML or its officers or supervised agents, except insofar as any loss, liability, damages, outgoings, cost or expense is caused by the negligence, default, fraud, dishonesty or conflict of interest of CAML or its officers, employees or agents. This obligation continues after the termination of the CTN Investment Management Agreement.

CAML must indemnify CTN against any losses, liabilities, damages, outgoings, costs and expenses reasonably incurred by CTN arising out of, or in connection with any negligence, default, fraud, dishonesty or conflict of interest of CAML or its officers or employees or agents. This obligation continues after the termination of the CTN Investment Management Agreement.

2.3 CIE Investment Management Agreement

CAML is the funds manager of the investment portfolio of CIE pursuant to the CIE Investment Management Agreement between CIE and CAML dated 24 June 2016. The initial term for which CAML is appointed by CIE as funds manager is 5 years from 24 June 2016. After the initial term, the agreement continues in force until terminated in accordance with the termination provisions of the CIE Investment Management Agreement.

CAML has been appointed as the sole manager of the CIE portfolio for the term of the CIE Investment Management Agreement and must not without the prior written consent of CIE promote or manage the business or investment portfolio of an investment entity that is listed on ASX (or any other Australian securities exchange or financial market) and has:

- (a) an investment strategy of investing in ordinary shares, preference shares, convertible notes, units, or other securities of a 'Listed Ex-30'; or
- (b) an investment strategy that is identical, substantially similar or deceptively similar to the investment strategy of CIE

'Listed Ex-30' means an entity that is listed on ASX (or any other Australian securities exchange or financial market) and has a market capitalisation less than the top 30 companies of the S&P/ASX 100 Index.

Under the CIE Investment Management Agreement CAML is entitled to be paid by CIE a management fee equal to 0.95% per annum on the first \$150 million of funds under management, then 0.9% per annum on the value of funds under management in excess of \$150 million but less than or equal to \$500 million and 0.85% per annum of the amount by which the value of the funds under management exceeds \$500 million. The management fee is payable quarterly in arrears and in cash only.

CIE may terminate the CIE Investment Management Agreement at any time after the commencement date of the CIE Investment Management Agreement if (amongst other things):

- (a) CAML sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of CAML or of a beneficial interest in that main business or undertaking; or
- (b) a person acquires a relevant interest in voting shares in CIE where because of the acquisition that person's voting power in CIE exceeds 50% and such person did not have the relevant interest at the date of the CIE Investment Management Agreement; or
- (c) a receiver, receiver and manager, administrator or similar person is appointed with respect to the assets and undertakings of CAML; or

- (d) at a general meeting of CIE, the shareholders of CIE pass an ordinary resolution approving the termination of the CIE Investment Management Agreement, provided that CAML has had a reasonable opportunity to state its case in materials provided to shareholders of CIE prior to the general meeting and in person at the general meeting.

At any time after the CIE Investment Management Agreement has been in force for more than 10 years (without being renewed or its term extended by affirmative vote of the shareholders of CIE), the shareholders of CIE in a general meeting may pass an ordinary resolution approving termination of the CIE Investment Management Agreement.

CIE must indemnify CAML against any and all losses, liabilities, damages, outgoings, costs and expenses reasonably incurred by CAML that are due and payable by CAML to a third party other than CIE and arise out of, or in connection with CAML, its employees, officers or agents acting under the CIE Investment Management Agreement or on account of any bona fide investment decision made by CAML or its officers or supervised agents, except insofar as any loss, liability, damages, outgoings, cost or expense is caused by the negligence, default, fraud, dishonesty or conflict of interest of CAML or its officers, employees or agents. This obligation continues after the termination of the CIE Investment Management Agreement.

CAML must indemnify CIE against any losses, liabilities, damages, outgoings, costs and expenses reasonably incurred by CIE arising out of, or in connection with any negligence, default, fraud, dishonesty or conflict of interest of CAML or its officers or employees or agents. This obligation continues after the termination of the CIE Investment Management Agreement.

2.4 Trade Mark Licence Deeds

CAML is the owner of the intellectual property in the Contango trade mark and name.

Pursuant to the Trade Mark Licence Deeds on and with effect from 30 June 2016 CAML has licensed each of CTN and CIE use of the Contango trade mark and name for their respective company name for so long as each is a listed investment company on the ASX and has its portfolio invested and managed by CAML under the relevant CTN Investment Management Agreement and CIE Investment Management Agreement. The licence is non-exclusive, cannot be used outside Australia, is royalty-free and not transferable and terminates upon termination of the relevant CTN Investment Management Agreement or CIE Investment Management Agreement.

2.5 Business of the Contango Group

CAML is a boutique wholesale and LIC fund manager. It was established in December 1998. CAML manages large cap, mid cap, small cap, micro cap and income focused mandates for its institutional and wholesale clients. It also manages two LIC mandates for CTN and CIE. CAML is a wholly-owned subsidiary of CSM.

Based on the unaudited financial performance of the Contango Group for the year ended 31 May 2016, approximately 52.6% of annualised revenue was generated from the management of the CTN and CIE listed investment company portfolios. Refer to Sections 2.2 and 2.3 respectively.

CAML also earns management fees under investment management agreements and mandates, including with Maritime Super Pty Limited ACN 058 013 773, (the successor trustee to Seafarers' Retirement Fund Pty Limited), Media Super Limited ACN 059 502 948, BUSS (Q) and Advance Asset Management Limited ACN 002 538 329.

In addition to the standard termination rights for material default and insolvency, these agreements can be terminated at short notice (ranging from 5 to 20 business days) for convenience by the counterparty.

CAML's AFSL

CAML is the holder of AFSL 237119 which authorises CAML to provide the following financial services to wholesale clients:

- (a) provide financial product advice in relation to: deposit and payment products (limited to basic deposit products and non-basic deposit products); derivatives; debentures, stocks or bonds issued or proposed to be issued by a government; interests in managed investment scheme (limited to own managed investment scheme only); and securities;
- (b) deal in a financial product by issuing, applying for, varying or disposing of a financial product in respect of: derivatives and interests in managed investment schemes (limited to own managed investment scheme only);
- (c) deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of: deposit and payment products (limited to basic deposit products and non-basic deposit products); derivatives; debentures, stocks or bonds issued or proposed to be issued by a government; and securities; and
- (d) operate the following kinds of registered managed investment schemes (including holding of any incidental property) in its capacity as responsible entity: schemes which only hold derivatives and financial assets.

Switzer

CSM has a 46.25% shareholding in Switzer. Switzer holds AFSL 312247 and is the responsible entity and manager of the Halidon Yield Enhanced Fund. Switzer Financial Group Pty Ltd ACN 112 294 649 holds 46.25% in Switzer. Martin Switzer is a director of Switzer and a controlling shareholder of Switzer Financial Group Pty Ltd.

Switzer AFSL

Switzer is the holder of AFSL 312247 which authorises Switzer to provide the following financial services to retail and wholesale clients:

- (a) deal in a financial product by issuing, applying for, varying or disposing of a financial product in respect of: derivatives and interests in managed investment schemes (limited to own managed investment scheme only);
- (b) deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of: deposit and payment products (limited to basic deposit products and non-basic deposit products); derivatives; foreign exchange contracts; debentures, stocks or bonds issued or proposed to be issued by a government; interests in managed investment schemes (excluding investor directed portfolio services) and securities;
- (c) underwriting interests in managed investment schemes and an issue of securities; and

- (d) operate the following kinds of registered managed investment schemes (including holding of any incidental property) in its capacity as responsible entity: schemes which only hold financial assets.

3. Pro forma statement of financial position

3.1 Pro forma balance sheet

The following pro forma consolidated Statement of Financial Position has been prepared to illustrate the effects of the pro forma adjustments (including the Offer), which are set out below as if they had occurred on or before 31 May 2016.

Tyrian Diagnostics Limited
Consolidated Statement of Financial Position
as at 31 May 2016

	Notes	TDX 31 May 2016 \$'000	Contango Group 31 May 2016 \$'000	Pro forma Adjustments \$'000	TDX Pro Forma 31 May 2016 \$'000
CURRENT ASSETS					
Cash and cash equivalents	1	315	173	2,488	2,976
Receivables		-	574	-	574
Other current assets	2	14	2,524	(2,524)	14
TOTAL CURRENT ASSETS		329	3,271	(36)	3,564
NON-CURRENT ASSETS					
Plant & equipment		-	46	-	46
Equity accounted investment at fair value in joint venture		-	389	-	389
Goodwill	3	-	-	12,468	12,468
Other non-current assets	4	-	378	2,315	2,693
TOTAL NON-CURRENT ASSETS		-	813	14,783	15,596
TOTAL ASSETS		329	4,084	14,747	19,160
CURRENT LIABILITIES					
Trade and other payables		7	348	-	355
Provisions		-	626	-	626
TOTAL CURRENT LIABILITIES		7	974	-	981
TOTAL LIABILITIES		7	974	-	981
NET ASSETS/(LIABILITIES)		322	3,110	14,747	18,179
TOTAL EQUITY	5	322	3,110	14,747	18,179

The statement of financial position should be read in conjunction with the accompanying notes.

The Company and the Contango Group historical statements of financial position have been extracted from the unaudited financial statements of the Company for the 11 month period ended 31 May 2016 and un-audited aggregated financial statements of the Contango Group for the 11 month period ended 31 May 2016.

The pro forma consolidated Statement of Financial Position has been prepared to reflect the financial position of the Company as at 31 May 2016 as if the following transactions detailed in the Notice of Meeting materials had occurred on that date. The pro forma consolidated Statement of Financial Position has not taken into account any transactions that have arisen under normal trading conditions since that date.

- i. The acquisition of SPV and the Contango Group for a consideration of \$15,577,611.
- ii. The public offering issue of 28,643,300 fully paid ordinary shares (post consolidation of shares) amounting to \$17,185,980 referred to as the Offer;
- iii. Expenses associated with the Offer (including advisory, legal, accounting, administrative fees and other expenses), estimated to be around \$2 million.
- iv. 600,000 shares to be issued to TC Corporate Pty Ltd in satisfaction of corporate advisory payable by the Company. TC Corporate Pty Ltd provided corporate advisory services to the Company in connection with the Transactions;
- v. 345,000 Options to be issued to Pacific Point Partners Limited in partial consideration of providing a loan of \$2.6 million to SPV. The Options have an exercise price of \$0.60 each and a 5 year exercise period from the date of grant. In line with Australian Accounting Standards, an option's value can only be measured using inputs relevant at the time of the option's issue. As such, the value of the Pacific Point Options is dependent on when the options are issued.
- vi. 2,003,301 Shares are to be issued under the Employee Share Incentive Plan (**ESIP**) and 5,705,604 Shares are to be issued under the Employee Loan Share Plan (**Share Plan**). The value of the shares that will be issued under the ESIP will be treated as options under Australian Accounting Standards. Further details on the ESIP are contained in Section 8.9 of this Explanatory Memorandum. In line with Australian Accounting Standards, an option's value can only be measured using inputs relevant at the time of the option's issue. As such the value of the Shares is dependent on when the Shares are issued.

Further details on the Share Plan are contained in Section 8.10 of this Explanatory Memorandum. The value of the loan receivable of \$2,314,676 in relation to shares issued under the Share Plan have been calculated using the following assumptions:

- Loans provided to employees to purchase 5,705,604 Shares issued on 31 May 2016 at issue price of \$0.60 per Share;
- Loans are interest free;
- Market interest rate of 5.75%;
- All employees to who loans are issued are to remain with the Company for seven years from the date the loans are granted and Shares issued.

Notes to the Financial Statements

1. Cash

Cash is reconciled as follows:

	\$'000
Opening balance at 31 May 2016 of TDX	315
Cash from the purchase of the Contango Group	173
Receipt of intercompany receivables	2,524
Receipt of proceeds of the Offer	17,186

Payment of costs associated with the Offer	(1,581)
Payment of cash consideration to CTN	(12,978)
Repayment of Interest bearing liability	<u>(2,663)</u>
Cash assets as per the pro forma consolidated Statement of Financial Position	<u>2,976</u>

2. Other current assets

	\$'000
Opening balance at 31 May 2016 of TDX	14
Intercompany receivable – Contango Group	2,524
Receipt of Intercompany receivable – Contango Group	<u>(2,524)</u>
Other current assets as per the pro forma consolidated Statement of Financial Position	<u>14</u>

3. Goodwill & Intangibles

	\$'000
Opening balance at 31 May 2016 of TDX	-
Goodwill created on the purchase SPV and the Contango Group	<u>12,468</u>
Total Goodwill & Intangibles as per the pro forma consolidated Statement of Financial Position	<u>12,468</u>

4. Other non-current assets

	\$'000
Opening balance at 31 May 2016 of TDX	-
Bank Guarantees	378
Employee Loan Share Plan receivable	<u>2,315</u>
Total Other non-current assets as per the pro forma consolidated Statement of Financial Position	<u>2,693</u>

5. Contributed Equity

	\$'000
Opening balance at 31 May 2016	322
Shares issued pursuant to the Offer	17,186
Shares issued to TC Corporate Pty Ltd	360
Shares issued under Employee Share Plan	2,315
Estimated costs of the capital raising	<u>(2,004)</u>
Contributed Equity as per the pro forma consolidated Statement of Financial Position	<u>18,179</u>

The pro forma consolidated statement of financial position does not contemplate the shares issued for services in future periods as disclosed elsewhere in this document.

4. Recommendation of the Board

4.1 Advantages of the Transactions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) the SPV Acquisition provides the Company with a strategic opportunity to change the nature of its activities to become a funds management business with an established management team;
- (b) the SPV Acquisition and change in activity has the potential for positive cash flow, potential earnings growth and ongoing growth opportunities which may otherwise not have been available to the Company;
- (c) the change in nature of the Company's activities could attract new investors and may allow the Company to more readily raise additional working capital (if required); and
- (d) through completion of the Offer and subject to ASX re-admitting the Company to the ASX, a larger market capitalisation and enhanced shareholder base should increase the liquidity of the Company's Shares that are not subject to any mandatory or voluntary escrow requirements.

4.2 Disadvantages of the Transactions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) there is no guarantee of the market value of the Company's Shares upon completion of the SPV Acquisition and Offer;
- (b) the Transactions will result in the issue of Shares which will have a dilutionary effect on the current holdings of Shareholders;
- (c) the SPV Acquisition constitutes a significant change in the scale and nature of the Company's activities, and will expose Shareholders to risks associated with the funds management sector as set out in Section 6 below.

4.3 Indicative Timetable for the Transactions

An indicative timetable for the SPV Acquisition and Offer is as follows:

Event	Date
Lodge Prospectus with ASIC	5 August 2016
Lodge Appendix 1A ASX Listing Application	8 August 2016
Hold EGM	25 August 2016
Effective Date of Share Consolidation (2 Business Days after the EGM)	29 August 2016
Record Date for Share Consolidation	30 August 2016
Open Prospectus Offer (assuming Resolutions are passed) (same date as Effective Date of Share Consolidation)	30 August 2016
Close Prospectus Offer (within 1 week later)	6 September 2016

Satisfaction of ASX standard conditions for reinstatement Allot and issue all Offer Shares and Shares the subject of the Resolutions upon ASX confirmation of satisfaction of conditions to reinstatement	9 September 2016
Completion of SPV Acquisition Despatch holding statements to Shareholders	After 9 September 2016
Reinstatement to the ASX (assuming ASX reinstates the Company's securities to official quotation on the ASX)	By 23 September 2016

Please note that this timetable is indicative only and that the Directors reserve the right to amend the timetable as required by the Listing Rules or otherwise.

4.4 Board Recommendation – VOTE IN FAVOUR

The Board unanimously recommends that the Shareholders vote in favour of all of the Resolutions which are inter-conditional.

Other than as Shareholders who will subscribe for Offer Shares and pay the Offer Price, the current Directors (being Roger Amos, Marilyn Sleigh and Simon O'Loughlin) have no interest in the Resolutions.

The Directors each intend to vote in favour of all Resolutions, subject to the application of any applicable voting exclusions under the Listing Rules and the Corporations Act.

The Chairman in his capacity as proxy holder intends to vote any undirected proxies in favour of the Resolutions.

If the Resolutions are not passed, the SPV Acquisition and Offer will not proceed. The Board will be required to evaluate the future direction and strategy of the Company. The Company intends to conduct a rights issue to raise additional funds if all of the Resolutions are not passed.

Details of the Directors' interests in the Company's securities are set out below.

Director (and Associates)	Shares (post Share Consolidation) – before Offer	Shares (post Share Consolidation, post Offer and grant of Shares under ESIP and Share Plan)
Roger Amos, Non-executive Chair	27,221	107,221
Marilyn Sleigh, non-executive director (through Marilyn Sleigh and Raoul de Ferranti as trustee of Lansdowne Superannuation Fund and her son, Marc De Ferranti)	2,000	112,000

Simon O'Loughlin, non-executive director (through his controlled entity, Yoix Pty Ltd as trustee of the S.T O'Loughlin Family Trust)	Nil Shares held at date of this Explanatory Memorandum	333,333
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None of the Proposed Directors (or their nominated entities) hold any Shares in the Company as at the date of this Explanatory Memorandum.

As at the date of this Explanatory Memorandum, the Company does not have on issue any options or convertible securities.

Details of the Proposed Directors' interests in the Company's securities are set out in Section 5.2 below.

4.5 Capital Structure of the Company following completion of the Offer and issues of Shares pursuant to the Resolutions

Shareholder	Number of shares held	% of Issued capital	Options
Shares currently on issue (Tyrian Diagnostics Limited Shareholders)	3,406,757 (after Share Consolidation)	8.06%	Nil
Management and staff of Contango Asset Management pursuant to the ESIP and Share Plan	7,708,905 (post Share Consolidation)	18.24%	Nil
Shares to be issued to George Boubouras, and the nominated entities of Martin Switzer, Charles Aitken, Peter Switzer, Maureen Switzer and Paul Rickard	1,906,094 (post Share Consolidation)	4.51%	Nil
New shares pursuant to the Offer	28,643,300 (post Share Consolidation)		
<ul style="list-style-type: none"> Pacific Point 	8,448,785 (post Share Consolidation)	19.99%	345,000 Options
<ul style="list-style-type: none"> Others 	20,194,515 (post Share Consolidation)	47.78%	
Shares to be issued to TC Corporate Pty Ltd in satisfaction of corporate advisory fees	600,000 (post Share Consolidation)	1.42%	
Total	42,265,057 (post Share Consolidation)	100.0%	

5. Proposed Board

5.1 Proposed Directors

Subject to the Resolutions being passed, immediately following completion of the EGM, the board of Directors will comprise:

- Roger Amos, Chairman;
- George Boubouras, Managing Director and Chief Investment Officer;
- Charles Richard Napier Aitken, non-executive Director; and
- Martin Switzer, non-executive Director.

Merilyn Sleight and Simon O'Loughlin will resign as Directors of the Company at the conclusion of the EGM if all the Resolutions are passed.

George Boubouras - Incoming Managing Director

Mr Boubouras has over 26 years of experience in financial services and has held senior leadership positions, as the chief investment officer, at various global and domestic firms. He holds a Bachelor of Economics (Honours) degree and has undertaken further study at Harvard Kennedy School, MIT Sloan School of Management and the University of New South Wales. Mr Boubouras also has RG 146 accreditation from the Stockbrokers Association of Australia. Mr Boubouras' experience managing investments spans across all asset classes and investment teams and has previously worked at various firms including: Equity Trustees, as Chief Investment Officer; UBS Wealth Management, as an Executive Director and Chief Investment Officer; Macquarie Group, as an Investment Strategist; and HSBC Asset Management, as Head of Asset Allocation, Fixed Income and Equity Research. Mr Boubouras is currently a director of Contango Income Generator Limited.

Charles Richard Napier Aitken - Incoming non-executive Director

Mr Aitken is Chief Executive Officer and Chief Investment Officer of Aitken Investment Management. He has 22 years of equity and futures market experience. He was the author of Ringing the Bell newsletter and previously Under the Southern Cross newsletter. He is an expert contributor to the Switzer Super Report, and previously Alan Kohler's Eureka Report. He appears frequently on Australian and global financial media as an expert on Australian equities and global macroeconomic strategy. Mr Aitken has previously been a Director and head of Sydney Sales Trading for Citigroup, Executive Director and Partner of Southern Cross Equities and Executive Director and Board member of ASX listed Bell Financial Group.

Martin Switzer - Incoming non-executive Director

Mr Switzer is the Chief Operating Officer of Switzer Financial Group, a media and financial services business. He has worked in stockbroking and journalism and is currently a host on the Sky News Business Channel from time to time. Mr Switzer is also a consultant with the Australian Defence Force Financial Services Consumer Centre and travels around Australia providing financial information and education to ADF members and their families. He also serves on the board of fashion media business RUSSH, Eastern Suburbs Rugby Union Club and has been a director of the Entrepreneurs Organisation. Mr Switzer has a Bachelor of Economics degree from the University of Sydney.

Mr Switzer is a director of Switzer and through Switzer Financial Group Pty Ltd ACN 112 294 649, is a 46.25% shareholder of Switzer.

5.2 Proposed Directors' Interests

Details of the Proposed Directors' interests in the Company's securities are set out below and assuming the Shareholders pass all of the Resolutions:

Proposed Director	Shares (post Share Consolidation, participation in Offer, grant of Shares including under the ESIP and Share Plan on completion of the Offer)	% of issued Share capital
George Boubouras, Managing Director (through controlled entities)* *to be held by Alhambra Investments Pty Ltd ACN 605 912 392 and Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust	3,925,750	9.29%
Charles Richard Napier Aitken, non-executive director* *to be held by Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund	377,985	0.89%
Martin Switzer*, non-executive director (and associates Peter and Maureen Switzer**) * Barcom Holdings Pty Ltd ACN 613 555 847 ** Peter , Maureen, Martin and Alexander Switzer as trustees of the Switzer Family Superannuation Fund ABN 32 398 293 315	589,303	1.38%

5.3 George Boubouras, Incoming Managing Director's employment agreement

On 1 July 2016 CGS, the employer entity of the Contango Group entered into a senior executive employment contract with George Boubouras to govern his employment with the Contango Group as Managing Director and Chief Investment Officer with a fixed annual remuneration of \$395,000 including superannuation for 2017. George Boubouras may be subsequently employed in other roles as determined by the Board. George Boubouras may be eligible to participate in one or more employee share schemes operated by the Company or another member of the Group, at the discretion of the Board.

For details of George Boubouras' participation in the ESIP and Share Plan, refer to Section 8.11

The term of George Boubouras' employment commenced on 1 July 2016 but the senior executive employment contract recognises 6 January 2015 as the commencement date of his employment with CGS. The employment contract has no fixed term and is ongoing until terminated.

George Boubouras may terminate his employment contract by giving 6 months' notice in writing. CGS (which will on passage of the Resolutions become a wholly-owned subsidiary of the Company) may terminate the employment contract by giving 6 months' notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other similar circumstances, CGS may terminate George Boubouras' senior executive employment contract immediately without notice.

Upon termination of George Boubouras' senior executive employment contract, he will be subject to a restraint of trade period of a maximum 12 months post termination and will be restrained from engaging in any business or activity that is in competition with the Group within the Asia-Pacific region. Except with the prior consent of the Chairman of the Board, the Managing Director is also not permitted to invest in a corporation which carries on business similar to or in competition with the Group, unless the investment is limited to 0.5% of the quoted securities of a listed corporation. George Boubouras' senior executive employment contract contains standard provisions regarding his use of confidential information and contains a provision under which he assigns all intellectual property rights in materials that he creates during the course of his employment to CGS and the Company.

5.4 Non-executive director appointments

The Company will enter into non-executive director appointment letter agreements with each of Charles Richard Napier Aitken and Martin Switzer, effective on and from the date of conclusion of the EGM (subject to Shareholders passing the Resolutions).

Roger Amos is appointed to act as Chairperson of the Company.

The current aggregate fee pool for non-executive director fees is \$350,000.

5.5 Senior Management and Key Investment Team Members

In addition to George Boubouras (Managing Director and Chief Investment Officer), senior management and key personnel of the investment team of the Contango Group comprise:

- (a) Alistair McKinley Drummond, Senior Portfolio Manager;
- (b) Shawn Rex Burns, Senior Portfolio Manager;
- (c) William Andrew Laister, Senior Portfolio Manager;
- (d) Richard Ivers, Senior Investment Analyst;
- (e) Stephen Ronald Scott, Senior Investment Analyst;
- (f) Justin Puli, Senior Investment Analyst;
- (g) Jarrod Deakin, Portfolio Manager; and
- (h) Tonia Lenaghan, Head of Portfolio Administration.

Each of the persons listed above has entered into an ongoing employment agreement with CGS. Each employment agreement requires the employee to give 3 month's notice of termination and provides a non-compete in the Asia-Pacific area of up to 12 months post termination. Except with the prior consent of the Managing Director, senior management are

also prohibited from holding investments in a corporation that carries on a similar or competitive business to the Group, unless the investment is limited to 0.5% of the quoted securities of a listed corporation.

The Executive Management Team of Contango Group are George Boubouras (Managing Director), Alistair Drummond, Jarrod Deakin, Tonia Lenaghan and Adam Legg (Chief Financial Officer).

6. Key Risks

Shareholders should be aware that if the Resolutions are approved and the SPV Acquisition and Offer completed, the Company will be changing the scale and nature of its activities and will be subject to different risks specific to the funds management business.

The Company's business will be subject to risk factors, a number of which are beyond the Company's control. These risks may be both specific to the Company's business activities and of a general nature. Individually, or in combination, these risks might affect the future operating performance and the value of an investment in the Company.

The risks and uncertainties described below are not intended to be exhaustive. These factors, and others not specifically referred to below may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

6.1 Specific Risks

Loss of management rights

As at 31 May 2016, CAML has approximately \$600 million in FUM. Approximately, 52.6% of CAML's revenue derived from management fees from the management of CTN's investment portfolio and 11.7% derived from the management of CIE's investment portfolio. As at 24 June 2016, CAML has entered into the CTN Investment Management Agreement and CIE Investment Management Agreement which each have an initial term of 5 years from 24 June 2016, and continue until terminated. These agreements are subject to termination provisions in the event of material breach by CAML as fund manager, change of ownership of more than 50.1% of shares in CTN or CIE (as relevant) and insolvency of CAML.

Approximately, 39.6% of CAML's revenue (as at 31 May 2016) derived from the management of Maritime Super, Advance Asset Management, Media Super and BUSS(Q) funds. Each of these mandates may be terminated for convenience at short notice by the industry super fund or institution.

The loss of FUM to CAML resulting from a termination of any of the material mandates or investment management agreements may have a material adverse effect on the financial performance of CAML and Share price of the Company.

Market factors

The performance of CAML is strongly linked to its FUM, which is itself driven by net fund flows and market performance. A decline in any investment market in which CAML manages funds (in particular the Australian equities market), or related to an asset class in which CAML manages assets, may reduce CAML's FUM and may have a material adverse effect on the financial performance of CAML, and as a result, the Company.

Loss of key personnel

CAML's investment performance, and therefore financial performance, is highly dependent on a small number of highly skilled personnel, including George Boubouras and senior investment portfolio managers. CAML's future growth is also dependent on its ability to

attract and retain additional skilled employees. The loss or departure of one or more key personnel, and/or the inability to hire new employees to underpin CAML's growth, may trigger a loss of mandates and have a material adverse effect on CAML, and as a result, the Company.

Poor investment performance

A key driver of CAML's financial performance and future growth is achieving strong investment performance of both the internal investment team and CAML's investment partners. Sustained periods of poor investment performance (absolute, or relative to benchmarks and/or competitors) could lead to withdrawals of FUM, cause loss of investment mandates and/or could lead to lower management fees all of which would have a material adverse effect on CAML, and as a result, the Company. Negative investment performance may reduce FUM and, therefore, fees payable to CAML.

Increase in expenses

The Contango Group's expenses primarily comprise salaries and payments to external suppliers (including rent and under investment research contracts with Bloomberg Investments). Increases in costs may have a material adverse effect on CAML's financial performance.

Compliance with and changes to legislation and regulation

The financial services industry is highly regulated in Australia. If CAML does not or cannot comply with the necessary laws and regulations it may be exposed to fines, penalties or loss of licences (and other factors), which may alone or in combination have a material adverse effect on CAML's financial performance and reputation.

6.2 General risks

General economic conditions and external factors

The Company's financial performance and Share price may be materially adversely affected by a number of general risk factors including but not limited to changes in:

- (a) the Australian and international economic outlook, including as a consequence of the United Kingdom's vote to exit the European Union;
- (b) Federal or State Government fiscal, monetary or regulatory policies (eg increases in interest rates); and
- (c) inflation and exchange rates.

Equity markets

There are risks associated with any investment in listed shares. The market price of listed shares (such as the Shares) is affected by numerous factors. In addition to the risks discussed in this Section 6, the market price of listed shares is affected by other factors such as hostilities, tension and acts of terrorism, general investor sentiment and the movement of prices on local and international share markets. As a consequence, the Shares may trade on ASX at higher or lower prices than the Offer price.

Liquidity of Shares

On completion of the Offer and subject to the Company's re-admission to the ASX, approximately 45% of the Company's market capitalisation will be publicly traded and without any mandatory or voluntary escrow restriction. There can be no guarantee that an

active market in the Shares will develop, or that the Share price will increase. There may be relatively few, or many buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market Share price, or affect the prevailing market price at which unescrowed Shareholders are able to sell their Shares.

7. Restricted Securities and Escrow

The Company will apply for re-admission to the official list under the 'assets test' for Listing Rule 1.1, Condition 8 purposes.

The ASX has the discretion to apply escrow conditions pursuant to Appendix 9B to any securities of the Company issued prior to re-instatement of the Company's securities to official quotation on the ASX.

Shares issued to related parties and to persons in consideration for services may be subject to a 24 month mandatory escrow period from re-instatement of the Company's securities to official quotation on the ASX.

A restricted security is defined under the ASX Listing Rules in reference to Appendix 9B, which also sets out various categories of persons who may be issued restricted securities and the circumstances in which those securities are listed as restricted.

The holders of restricted securities are prohibited from disposing of the securities, creating a security interest over them or generally doing anything that would have the effect of transferring from the holder to another, effective ownership or control of the securities for a particular period.

8. Corporations Act and Listing Rule Requirements

8.1 Resolution 1: Share Consolidation

(a) Introduction

The Company proposes to consolidate its ordinary share capital through the conversion of every 300 Shares into 1 Share, with any fractional entitlements rounded up to the nearest whole number.

Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. ASX Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out in this Section 8.1.

Resolution 1 is conditional on the passing of all Resolutions.

The Company's balance sheet and tax position will remain unaltered as a result of the Share Consolidation.

(b) Reason for the Share Consolidation

In view of the significance of the proposed changes under the SPV Acquisition, under the terms of ASX Listing Rule 11.1.3, the Company is required to comply with Chapters 1 and 2 of the ASX Listing Rules.

The Share Consolidation will enable the Company to achieve an Offer price of \$0.60 per Share (being an issue price of at least 20 cents, which is the minimum issue price for shares required under Listing Rule 2.1).

(c) Effect of the Share Consolidation

As at the date of this Notice of Meeting, the Company has 1,022,027,092 Shares on issue. Following implementation of the proposed Share Consolidation, the Company will have 3,406,757 Shares on issue, subject to rounding of fractional entitlements.

As at the date of this Notice of Meeting, the Company has no options or other convertible securities on issue.

(d) Holding Statements

From the date of the proposed Share Consolidation, all existing holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post Share Consolidation basis. After the Share Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to and following the Share Consolidation.

The Share Consolidation will not result in any change to the substantive rights and obligations of Shareholders. Following completion of the Offer and issue of Shares contemplated by the Resolutions, the shareholdings of existing Shareholders will be diluted.

Shareholders are advised to seek their own tax advice on the effect of the Share Consolidation and neither the Company, the Directors nor the Company's advisers accept any responsibility for the individual taxation implications arising from the Share Consolidation.

(e) Timetable

An indicative timetable that the Company will be following, in accordance with Appendix 3A.3 of the ASX Listing Rules is set out below. The Company notes that the Shares will continue to remain suspended from Official Quotation until such time as the Transactions have been completed and the Company has complied with Chapters 1 and 2 of the Listing Rules. Accordingly, there will be no trading in the Shares until the Company's securities have been reinstated to Official Quotation on the ASX.

Event	Date
General Meeting to approve Share Consolidation	25 August 2016
Company informs ASX that Shareholders have approved Share Consolidation	25 August 2016
Last day for pre-consolidation trading <i>Note: The Shares of the Company will remain suspended from Official Quotation and no trading in the Shares is permitted until such time as the Transactions have been completed and the Company has complied with Chapters 1 and 2 of the Listing Rules.</i>	26 August 2016
Effective date of Share Consolidation, Trading on a deferred settlement basis starts <i>Note: The Shares of the Company will remain suspended from Official Quotation and no trading in the Shares is permitted until such time as the</i>	29 August 2016

<i>Transactions have been completed and the Company has complied with Chapters 1 and 2 of the Listing Rules.</i>	
Record Date of Share Consolidation	5.00 pm, 30 August 2016
<p>First day for Company to send notice to the Shareholders of the change in the number of holdings as a result of the Share Consolidation</p> <p>First day for Company to register securities on a post-consolidation basis</p> <p><i>Note: The Shares of the Company will remain suspended from Official Quotation and no trading in the Shares is permitted until such time as the Transactions have been completed and the Company has complied with Chapters 1 and 2 of the Listing Rules.</i></p>	31 August 2016
<p>Issue date</p> <p>Deferred settlement market ends</p> <p>Last day for securities to be entered into the holders' security holdings and for Company to send notice to each security holder</p>	6 September 2016

Completion of the despatch of new holding statements post Share Consolidation will not affect the eligibility for applicants to apply for Shares under the Offer.

(f) Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1. The reasons the Board makes this recommendation are that they consider:

- (i) the Share Consolidation will assist the Company to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules, and thereby enable the Company to apply for its securities to be reinstated to official quotation on the ASX following completion of the SPV Acquisition and Offer; and
- (ii) the Share Consolidation is in the best interests of the Company.

Other than as Shareholders, none of the Directors has an interest in the outcome of Resolution 1.

8.2 Resolution 2: Change in nature and scale of activities

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and

- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

As previously announced, ASX has confirmed to the Company that given the significant change in the nature of the activities of the Company upon completion of the SPV Acquisition, it requires the Company to:

- (a) obtain the approval of its Shareholders for the Transactions for the purposes of ASX Listing Rule 11.1.2; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules pursuant to ASX Listing Rule 11.1.3.

For this reason, the Company is seeking Shareholder approval for the Company to change the scale and nature of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company's Shares were suspended on 24 June 2016 following the announcement made by the Company that it had entered into the Implementation Agreement in connection with the proposed SPV Acquisition.

It is expected that the Company's Shares will remain suspended from quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, including satisfaction of any conditions precedent to reinstatement required by the ASX.

Resolution 2 is conditional on the passing of all other Resolutions. If Resolution 2 is not approved at the EGM, the SPV Acquisition and Offer will not proceed and the Company will not undergo a change in activity to become a funds management business conducted by the Contango Group.

The Board recommends that the Shareholders vote in favour of the change in nature and scale of the Company's activities upon completion of the SPV Acquisition.

8.3 Resolution 3: Approval to issue Offer Shares under the Prospectus

Resolution 3 proposes the issue of 28,643,300 Shares at an issue price of \$0.60 per Share (**Offer Shares**), to raise \$17,185,980. The Offer Shares will be issued under the Offer pursuant to the Prospectus.

Resolution 3 is conditional on the passing of all Resolutions.

Listing Rule 7.1 provides that, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without shareholder approval.

The Company is seeking approval under Listing Rule 7.1 for the Offer Shares to be issued under the Offer pursuant to the Prospectus.

The information required to be given to Shareholders for the purposes of approval of the proposed issue of the Offer Shares under Listing Rule 7.3 is set out below.

- (a) *Maximum number of securities to be issued:* 28,643,300 Shares.
- (b) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 3 months after the date of the EGM.

- (c) *Price at which securities will be issued:* \$0.60 per Share.
- (d) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
- (e) *Names of the allottees or the basis upon which allottees will be identified or selected:* The Company will allot the Offer Shares in consultation with Taylor Collison. Taylor Collison, the underwriter has the right to nominate the allottees of the underwritten Offer Shares pursuant to the Underwriting Agreement.

Use (or intended use) of the funds raised: The Company proposes that the \$17,185,980 funds raised under the Offer will be used as follows:

Item	A\$
Payment to CTN for the balance of the purchase price under the Share Sale Agreement	\$10,400,000
Payment to SPV (to allow SPV to repay its loan of \$2.6 million principal and 7% interest, assuming repayment on 31 October 2016)	\$2,663,000
Transaction costs (legal, accounting, advisory, share registry, printing costs and ASX listing fees, excluding underwriting fees and TC Corporate corporate advisory fee being satisfied through the issue of 600,000 Shares)	\$850,000
Underwriting fees (excludes GST)	\$1,031,160
Working capital	\$2,241,820
TOTAL	\$17,185,980

The Board recommends that the Shareholders vote in favour of the issue of the Offer Shares under the Prospectus.

8.4 Resolution 4: Issue of Shares to Related Parties - participation in the Offer

As detailed above, the Company proposes to issue 28,643,300 Shares at an issue price of \$0.60 per Share, to raise \$17,185,980.

The current Directors and the Proposed Directors propose to apply for Shares under the Prospectus and pay the issue price of \$0.60 per Share. Resolution 4 is conditional on the passing of all other Resolutions.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the participation (up to a maximum number for each) by:

- (a) Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust (and/or its nominee) for up to 333,333 Shares (\$200,000); and
- (b) the current Directors, Roger Amos for up to 80,000 Shares (\$48,000), Marilyn Sleigh and Raoul de Ferranti ATF Lansdowne Superannuation Fund and Marc de Ferranti, Marilyn Sleigh's son for an aggregate 110,000 Shares (\$66,000), as well as the Proposed Directors, George Boubouras (through his nominated entity, Alhambra Investments Pty Ltd ACN 605 912 392), Barcom Holdings Pty Ltd ACN 613 555 847, the nominated entity of Martin Switzer and Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund to apply for Shares under the Prospectus.

Chapter 2E of the Corporations Act

Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust is an entity controlled by current Director, Simon O'Loughlin. Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust has agreed to sub-underwrite up to 333,333 Shares (\$200,000). Taylor Collison will pay a sub-underwriting fee of 2% on the amount that is sub-underwritten by Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust. Such sub-underwriting fee is payable by Taylor Collison, not the Company.

The participation by the current Directors and the Proposed Directors constitutes the giving of a financial benefit within the meaning of Chapter 2E of the Corporations Act. Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the related party participation because the Offer Shares will be issued to the current Directors and Proposed Directors on the same terms as Shares issued to non-related party participants in the Offer (ie. upon cash payment of \$0.60 per Share issued) and as such, the giving of financial assistance is on arm's length terms.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval for the issue of securities by a company to a related party or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The information required to be given to Shareholders for the purposes of Listing Rule 10.13 in relation to the participation under the Offer is set out below.

- (a) The Shares will be issued to Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust Roger Amos, Marilyn Sleigh and Raoul de Ferranti ATF Lansdowne Superannuation Fund and Marc de Ferranti, Marilyn Sleigh's son as well as the Proposed Directors, George Boubouras' nominated entity, Alhambra Investments Pty Ltd ACN 605 912 392, the nominated entity of Martin Switzer, Barcom Holdings Pty Ltd ACN 613 555 847 and Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund;
- (b) Maximum number of securities to be issued to each of Yoix Pty Ltd ACN 008 129 262 as trustee of the S.T O'Loughlin Family Trust pursuant to the sub-underwriting agreement with Taylor Collison, Roger Amos and Marilyn Sleigh's nominated persons as well as the nominated entities of the Proposed Directors is set out below:

Director (and their controlled entities and Associates)	Maximum number Shares to be subscribed for under the Offer (at \$0.60 per Share)
Simon O'Loughlin (to be held by Yoix Pty Ltd ACN 008 129 262 as trustee of the S.TO'Loughlin Family Trust (and/or its nominee))	333,333
Roger Amos	80,000
Merilyn Sleigh (to be held by Merilyn Sleigh and Raoul de Ferranti ATF Lansdowne Superannuation Fund and Marc de Ferranti, her son)	110,000 (75,000 Shares in the name of Merilyn Sleigh and Raoul de Ferranti as Lansdowne Superannuation Fund and 35,000 to Marc de Ferranti, her son)
George Boubouras (through his nominated entity, Alhambra Investments Pty Ltd ACN 605 912 392)	333,333
Martin Switzer (through his nominated entity, Barcom Holdings Pty Ltd ACN 613 555 847)	166,666
Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund	166,666

- (c) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 1 month after the date of the EGM.
- (d) *Price at which securities will be issued:* \$0.60 per Share.
- (e) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
- (f) *Use (or intended use) of the funds raised:* The intended use of the funds raised from the Offer is set out in section 8.3 above.

8.5 Resolution 5: 600,000 Shares to TC Corporate

The Company has agreed to issue 600,000 Shares to TC Corporate Pty Ltd ACN 075 963 352 in satisfaction of fees owing in their role as corporate advisor to the Company, including on completion of the SPV Acquisition and Offer. TC Corporate Pty Ltd ACN 075 963 352 is a wholly-owned subsidiary of Taylor Collison. The corporate advisory fee is in addition to the underwriting fees payable to Taylor Collison under the Underwriting Agreement.

Resolution 5 is conditional on the passing of all other Resolutions.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 600,000 Shares to TC Corporate Pty Ltd ACN 075 963 352 in satisfaction of corporate advisory fees payable by the Company.

ASX Listing Rule 7.1

The information required to be given to Shareholders for the purposes of Listing Rule 7.3 in relation to the issue of the 600,000 Shares to TC Corporate Pty Ltd ACN 075 963 352 is set out below.

- (a) The 600,000 Shares will be issued to TC Corporate Pty Ltd ACN 075 963 352.
- (b) Maximum number of securities to be issued to TC Corporate Pty Ltd ACN 075 963 352 in satisfaction of corporate advisory fees is 600,000.
- (c) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 3 months after the date of the EGM.
- (d) *Price at which securities will be issued:* \$0.60 per Share.
- (e) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company.
- (f) *Use (or intended use) of the funds raised:* No funds will be raised as the 600,000 Shares are being issued to TC Corporate Pty Ltd ACN 075 963 352 in satisfaction of the payment of corporate advisory fees payable by the Company.

The Board recommends that the Shareholders vote in favour of the issue of Shares to TC Corporate Pty Ltd ACN 075 963 352.

8.6 Resolution 6: Issue of 105,659 Shares to Paul Rickard

The Company has agreed to issue 105,659 Shares to the nominated entity of Paul Rickard, Rickard Super Fund Pty Ltd ACN 142 194 750 in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd ACN 112 294 649 in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd ACN 112 294 649 to Contango Asset Management Limited.

Paul Rickard is a director of Switzer Financial Group Pty Ltd ACN 112 294 649, the 46.25% shareholder of Switzer Asset Management Limited. CSM is also a 46.25% shareholder of Switzer Asset Management Limited.

Resolution 6 is conditional on the passing of all other Resolutions.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 105,659 Shares to the nominated entity of Paul Rickard, Rickard Super Fund Pty Ltd ACN 142 194 750.

ASX Listing Rule 7.1

The information required to be given to Shareholders for the purposes of Listing Rule 7.3 in relation to the issue of the 105,659 Shares to Rickard Super Fund Pty Ltd ACN 142 194 750 is set out below.

- (i) 105,659 Shares will be issued to the nominated entity of Paul Rickard, Rickard Super Fund Pty Ltd ACN 142 194 750. Paul Rickard is a director of Switzer Financial Group Pty Ltd;
- (ii) the maximum number of Shares to be issued is 105,659 Shares;

- (iii) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 3 months after the date of the EGM;
- (iv) *Price at which securities will be issued:* the deemed issue price of the Shares is \$0.60 per Share;
- (v) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company;
- (vi) *Use (or intended use) of the funds raised:* no funds will be raised by the issue of the Shares. The Shares will be issued for nil consideration in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd to CAML.

The Board recommends that the Shareholders vote in favour of the issue of these Shares to the nominated entity of Paul Rickard.

8.7 Resolution 7: Issue of 211,318 Shares to Peter and Maureen Switzer

The Company has agreed to issue 211,318 Shares to the nominated entity of Peter Switzer and Maureen Switzer, being Peter, Maureen, Martin and Alexander Switzer as trustees of the Switzer Family Superannuation Fund, in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd ACN 112 294 649 in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd ACN 112 294 649 to Contango Asset Management Limited.

Peter Switzer is a director and controlling shareholder of Switzer Financial Group Pty Ltd ACN 112 294 649, the 46.25% shareholder of Switzer Asset Management Limited. Peter and Maureen Switzer are the parents of Martin Switzer. CSM is also a 46.25% shareholder of Switzer Asset Management Limited.

Corporations Act – financial benefit to related party

The financial benefit of 211,318 Shares granted for nil consideration to these related parties is a financial benefit given on arm's length terms within the section 210(1)(a) exception of the Corporations Act. The Board considered that the value of the benefit was negotiated on arm's length terms, the comparable costs of acquiring these services from unrelated parties and the commercial value for the future growth strategy of the Contango Group.

Resolution 7 is conditional on the passing of all other Resolutions.

Listing Rule 10.11

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 10.11.

ASX Listing Rule 10.11

As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

For the purpose of Listing Rule 10.13 the following information is provided to Shareholders:

- (i) 211,318 Shares will be issued to the nominated entity of Peter Switzer and Maureen Switzer, being Peter, Maureen, Martin and Alexander Switzer as trustees of the Switzer Family Superannuation Fund ABN 32 398 293 315. Peter Switzer is a director of Switzer Financial Group Pty Ltd. Peter and Maureen Switzer are the parents of Martin Switzer, the incoming director of the Company;
- (ii) the maximum number of Shares to be issued is 211, 318;
- (iii) *Price at which securities will be issued:* the deemed issue price of the Shares is \$0.60 per Share;
- (iv) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 1 month after the date of the EGM;
- (v) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company;
- (vi) a voting exclusion statement in relation to Resolution 7 is included in the Notice of Meeting; and
- (vii) no funds will be raised by the issue of the Shares. The Shares will be issued for nil consideration in satisfaction of corporate advisory, introduction and facilitation services provided by Switzer Financial Group Pty Ltd in respect of the Transactions and as consideration for marketing and retail client referral services to be provided by Switzer Financial Group Pty Ltd to CAML.

The Board recommends that the Shareholders vote in favour of the issue of these Shares to the nominated entity of Peter and Maureen Switzer.

8.8 Resolutions 8 and 9: Approval of Employee Share Incentive Plan and Employee Loan Share Plan, issue of Shares to employees and the giving of financial assistance to employees

Shareholder approval is sought for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) to approve the Employee Share Incentive Plan (**ESIP**) and Employee Loan Share Plan (**Share Plan**), and to issue Shares and provide benefits under each of the ESIP and Share Plan to eligible employees and officers of the Company or its subsidiaries, as selected by the Board from time to time.

Shareholder approval is also sought under Resolutions 8 and 9 in respect of the ESIP and Share Plan for the purposes of sections 259B(2) and 260C(4) of the Corporations Act.

Resolution 8 is conditional on the passing of all other Resolutions. Resolution 9 is conditional on the passing of all other Resolutions.

The Board is committed to incentivising and retaining the Company's eligible employees and officers in a manner which promotes alignment with the interests of Shareholders and the investors whose funds are managed by CAML. Additionally, the Board considers equity-based compensation an integral component of the Company's remuneration platform enabling it to offer market-competitive remuneration arrangements.

A summary of the ESIP is set out in Section 8.9.

A summary of the Share Plan is set out in Section 8.10.

Copies of the ESIP and Share Plan documentation will be available for inspection at the Company's registered office and will be provided without charge to Shareholders on request.

For the purpose of Exception 9 of ASX Listing Rule 7.2:

- (a) No Shares have previously been issued under the ESIP or Share Plan;
- (a) A summary of the key terms of the ESIP and Share Plan is set out in Sections 8.9 and 8.10 respectively; and
- (b) A voting exclusion statement is set out for each of Resolutions 8 and 9 of the Notice of Meeting.

The Board recommends that the Shareholders vote in favour of the approval of the Share Plan and ESIP and issue of Shares under the Share Plan and ESIP to senior management employees of the Contango Group.

(a) Details of issue of Shares under the ESIP and Share Plan to senior management

The following members of senior management have been offered the right to acquire Shares under the ESIP and Share Plan (subject to passage of the Resolutions and completion of the Transactions):

- (i) William Laister, Senior Portfolio Manager;
- (ii) Shawn Burns, Senior Portfolio Manager;
- (iii) Jarrod Deakin, Portfolio Manager;
- (iv) Alistair Drummond, Senior Investment Manager;
- (v) Richard Ivers, Senior Investment Analyst;
- (vi) Justin Puli, Senior Investment Analyst; and
- (vii) Stephen Scott, Senior Investment Analyst.

Subject to acceptance of ESIP Offers, a total of 1,584,890 Shares will be issued under the ESIP to these key employees (or their nominated parties in accordance with the ESIP), which equates to 3.75% of the issued capital post completion of the Transactions.

Subject to acceptance of Share Plan Offers, a total of 3,698,077 Shares will be issued under the Share Plan to these key employees (or their nominated parties in accordance with the Share Plan), which equates to 8.75% of the issued capital post completion of the Transactions.

The details of the Shares to be issued to the Managing Director under the ESIP and Share Plan are set out in Section 8.11.

Subject to all of the Resolutions being passed, Shares under the ESIP and Share Plan will be issued on the date of receipt of ASX confirmation that the company's securities will be reinstated to official quotation on the ASX, at the same time as Shares issued under the Offer.

(b) ASX Listing Rules

ASX Listing Rule 7.2 (Exception 9(b)) provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under ASX Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than 3 years before the date of issue. Each of the Employee Share Incentive Plan and the Employee Loan Share Plan is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2 (Exception 9(b)).

The Company proposes that any issue of Shares under each of the Employee Share Incentive Plan and the Employee Loan Share Plan not be included when undertaking the calculation of the Company's available 15% limit under ASX Listing Rule 7.1. Accordingly, it is seeking shareholder approval of the Employee Share Incentive Plan (subject of Resolution 8) and the Employee Loan Share Plan (subject of Resolution 9) under Exception 9 to ASX Listing Rule 7.2.

Prior Shareholder approval of any future grants of Shares to directors of the Company under either the ESIP or the Loan Share Plan will be sought for the purposes of Listing Rule 10.14.

(c) Corporations Act – reasonable remuneration

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides that an exception to the provisions of Chapter 2E of the Corporations Act will occur where the financial benefit is given to the related party as an officer of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Board has considered the remuneration components and arrangements for chief executive officers and senior management of comparable listed entities having regard to size of the company, position and responsibilities of the relevant employee and market standards within the funds management industry.

The Board considers the proposed issue of an aggregate 1,584,890 Shares to senior management (excluding George Boubouras) under the ESIP and an aggregate 3,698,077 Shares to senior management (excluding George Boubouras) under the Share Plan, which have an implied value of \$3,169,780 (based on \$0.60 per Share) to be reasonable remuneration for the relevant senior management employees and for a company of the size and nature of the Company and, as such, falls within the exception set out in section 211 of the Corporations Act.

(d) Corporations Act – financial assistance

The following is relevant for:

- Resolution 8 regarding the approval of the ESIP which involves the giving of a loan by the Company for the eligible holder to acquire Shares under the ESIP; and
- Resolution 9 regarding the approval of the Share Plan which involves the giving of a loan by the Company for the eligible holder to acquire Shares under the Share Plan; and

As a general rule, the Corporations Act prohibits a company from taking security over shares in itself. However, section 259B(2) of the Corporations Act states that a company may take security over shares in itself under an employee share scheme that has been approved by shareholders at a general meeting.

Section 260A of the Corporations Act prescribes the circumstances in which a company may financially assist a person to acquire shares in the Company. However, section 260C(4) of the Corporations Act states that an exemption will apply if the financial assistance is given under an employee share scheme that has been approved by shareholders at a general meeting.

Accordingly, shareholder approval is sought under sections 259B(2) and 260C(4) of the Corporations Act to enable the Company to financially assist eligible persons under the both the ESIP and Share Plan (through provisions of loans) to acquire Shares in the Company.

8.9 Summary of the terms of the Employee Share Incentive Plan

Set out below is a summary of the terms of the Employee Share Incentive Plan or ESIP adopted by the Company on 11 July 2016.

(a) Eligibility

Offers to acquire Shares (**ESIP Shares**) under the Employee Share Incentive Plan (**ESIP Offer**) may be made by the Board of the Company in its absolute discretion to an employee (full-time or part-time) of the Group, director of the Group who holds a salaried employment or office in that body corporate, or any other person determined by the Board to be an employee for the purposes of the ESIP.

(b) Type of Securities

The Shares are fully paid ordinary shares in the capital of the Company.

(c) Offers

If an ESIP Offer is made by the Company and accepted by an employee (participant), the participant acquires ESIP Shares that are financed by way of a loan from the Company. The ESIP Shares are subject to a Holding Lock for a ESIP Lock-Up Period (see paragraph 8.10(j) below).

(d) Plan limit

The Company must not provide ESIP Shares on acceptance of an ESIP Offer if the total number of Shares that would be held under the acceptance of the ESIP Offer, when aggregated with the number of Shares which are held by participants under the ESIP, would exceed 10% of the total number of issued Shares at that time.

(e) Nominated Party

ESIP Shares may be issued to a 'Nominated Party' of the eligible employee if approved by the Board. The 'Nominated Party' may be a trustee of a trust set up wholly for the benefit of the employee, the employee's spouse and/or the employee's child or a company in which all of the issued shares and voting rights are beneficially held by the employee, the employee's spouse and/or the employee's child. Any change in Nominated Party must be notified to the Company in writing and an appropriate transfer of Shares (if a change in Nominated Party occurs) must be arranged after the Nominated Party is approved by the Board.

(f) Nature of the Loan and Loan Amount

The Company loans the participant an amount to equal the acquisition price of the Shares (**ESIP Loan Amount**) as set out in the ESIP Offer and the ESIP Loan Facility under the ESIP. The participant grants a security interest in the ESIP Shares to the Company.

(g) Interest

No interest is charged on the ESIP Loan Amount if the ESIP Loan Amount is used to fund the acquisition of ESIP Shares which are to be held directly by the employee participant.

If the ESIP Loan Amount is used to fund the acquisition of ESIP Shares which are to be held by a Nominated Party of the employee participant, interest will be charged on the ESIP Loan Amount at the applicable benchmark interest rate as determined by the *Fringe Benefits Tax Assessment Act 1986* and any applicable regulations. Interest will accrue from day to day from the drawdown date of the ESIP Loan Amount and will be calculated on the basis of the actual number of days elapsed (including the first day and the last) and a 365 day year. Accrued interest will be payable in arrears on each six-month anniversary of the ESIP Loan Amount drawdown date or as the Board otherwise decides.

(h) Repayment of the loan

The Loan Period for an ESIP Loan Amount is the period commencing on the date of ESIP Loan Amount drawdown date and ending on the third anniversary of the date of acquisition of ESIP Shares or such other date set out in the ESIP Offer.

The participant must pay each instalment amount on each instalment date (as set out in the ESIP Offer), which may be paid out of the 'Service Payment' and/or any distributions payable from a prior period. Any interest payable on the ESIP Loan Amount must be paid in accordance with the terms set out in the ESIP Offer.

To the extent the 'Service Condition' has been achieved on an instalment date:

- (i) the holder will become entitled to the Service Payment that is payable on that instalment date; and
- (ii) the holder authorises the Company to apply the holder's net (after deduction of PAYG withholding tax) Service Payment amount towards repayment of the instalment amount on the applicable instalment date.

If there is any Service Payment remaining after repayment of the instalment amount on the applicable instalment date, then that balance will be applied in the following order:

- (i) to any unpaid portion of an instalment amount payable in a prior period;
- (iii) to reduce the amount of any future instalment amount; and
- (iv) if no part of the ESIP Loan Amount is outstanding, to the holder.

The employee is required to reimburse the Company in relation to any superannuation or PAYG incurred by the Company in relation to any Service Payments made in connection with the ESIP Shares or ESIP Loan Amount.

If the Service Condition has not been achieved on an instalment date as required by the ESIP Offer, the Company will not be required to pay any part of the Service Payment to the employee participant on the instalment date.

'Service Condition' means the service conditions that must be satisfied, or circumstances which must exist, before an employee holder of ESIP Shares is entitled to a Service Payment under the ESIP.

'Service Payment' means an aggregate gross cash amount set out in an ESIP Offer which, subject to achievement of the Service Condition on the instalment date, an employee participant shall be entitled to receive on each relevant instalment date, which amount shall be before deduction of PAYE withholding tax and to the extent that an obligation to pay a superannuation contribution arises on payment of a Service Payment, inclusive of the related superannuation contribution.

Except where distributions are received in respect of the ESIP Shares (and 50% of the proceeds are used to repay part of the ESIP Loan Amount) or if the holder ceases to be an employee prior to the fifth anniversary of the date of acquisition of the ESIP Shares (and some or all of the ESIP Shares are bought back by the Company for the greater of \$1 and the outstanding balance of the loan amount for the relevant number of ESIP Shares that are 'ESIP Leaver Shares'), the holder may not repay any part of the ESIP Loan Amount prior to the relevant instalment date, unless the Board determines otherwise.

If, following the application of the net Service Payment amounts and any distributions payable from a prior period, the ESIP Loan Amount (including interest, if applicable) has not been repaid in full at the end of the Loan Period, the employee borrower must pay an amount equal to the outstanding balance of the ESIP Loan Amount (including interest, if applicable) within 30 days after the expiry of the Loan Period.

The loan provided under the ESIP Loan Facility is limited recourse and the Company's recourse against a participant for repayment of the ESIP Loan Amount (including interest, if applicable) will be limited to the ESIP Shares acquired under the ESIP. If the ESIP Loan Amount (including interest, if applicable) is not repaid by the end of the ESIP Loan Period, the participant/borrower must either repay the ESIP Loan Amount (including interest, if applicable) in cash within a further 5 Business Days, or at the participant's/borrower's election, the ESIP Shares of the participant/borrower acquired under the Share Plan may be transferred to the Company or the Company's nominee by exercising the put option (and in this circumstance, the relevant ESIP Shares will be deemed to be 'Leaver Shares') in full and final settlement of the ESIP Loan Amount.

Where the participant disposes of the ESIP Shares, the proceeds of sale must be applied in repayment of the ESIP Loan Amount (including interest, if applicable) while any part of the ESIP Loan Amount (including interest, if applicable) is outstanding.

The Board may, at its discretion, reduce or waive the ESIP Loan Amount in whole or in part at any time and in any particular case in the event that an employee dies during the ESIP Loan Period.

(i) Rights associated with Shares

ESIP Shares fully vest to the employee participant/holder at the date of acquisition of the ESIP Shares. The participant may exercise voting rights attached to any ESIP Shares registered in his or her name. The participant will be entitled to receive any distribution (eg dividend, interest, capital reduction, redemption, security buy back, proceeds from sale or otherwise) (**ESIP Distribution**) subject to the condition that 50% of any dividend component and 50% of any capital component of the ESIP Distribution must be applied in repayment or reduction of the ESIP Loan Amount while any part of the ESIP Loan Amount (including interest, if applicable) is outstanding.

(j) Restrictions on dealing

The participant must not dispose of or deal with the ESIP Shares until the expiry of the ESIP Lock-Up Period. The ESIP Lock-Up Period applies to the Shares as follows:

- (i) **(1/3 locked until 5th anniversary)**: 1/3 of the ESIP Shares are locked until the fifth anniversary of the date of acquisition of the ESIP Shares;
- (ii) **(1/3 locked until 6th anniversary)**: 1/3 of the ESIP Shares are locked until the sixth anniversary of the date of acquisition of the ESIP Shares; and
- (iii) **(1/3 locked until 7th anniversary)**: 1/3 of the ESIP Shares are locked until the seventh anniversary of the date of acquisition of the ESIP Shares.

If an employee dies prior to the fifth anniversary of the date of acquisition, the ESIP Lock-Up Period in respect of any ESIP Shares held by the employee or by a Nominated Party of the employee will be reduced to:

- (i) in respect of 1/3 of the ESIP Shares, the period commencing on the date of acquisition and ending on the first anniversary of the date of acquisition;
- (ii) in respect of 1/3 of the ESIP Shares, the period commencing on the date of acquisition and ending on the second anniversary of the date of acquisition; and
- (iii) in respect of 1/3 of the ESIP Shares, the period commencing on the date of acquisition and ending on the third anniversary of the date of acquisition.

At the end of the ESIP Lock-Up Period, any ESIP Shares that have not been previously released from the ESIP Holding Lock will be released from the ESIP Holding Lock.

Once released from the ESIP Holding Lock, the participant may deal with the ESIP Shares by providing the Company with at least 30 Business Days' notice (**ESIP Notice**). The Company may, at its absolute discretion, elect to acquire the ESIP Shares at a price equal to the weighted average trading prices of Shares on the ASX during the 30 trading days up to the date of ESIP Notice (**ESIP Offer Price**). If the Company elects to acquire the ESIP Shares from the participant, the participant must sell ESIP Shares to the Company for the ESIP Offer Price.

(k) Cessation of employment

(i) Bad Leaver

If an employee who is a participant, or who has nominated a Nominated Party to be granted the ESIP Shares, ceases to be an employee before the fifth anniversary of the date of acquisition of the ESIP Shares due to dismissal by the Company for gross misconduct, conviction, fraud, defalcation, an act that brings the Group into disrepute or any other circumstance of a serious nature that is analogous determined by the Board (**Bad Leaver**), then the ESIP Shares held by the participant will be 'ESIP Leaver Shares' and may be purchased by the Company pursuant to ESIP Put/Call Option Arrangements (see paragraph 8.10(l) below).

(ii) Good Leaver

If an employee who is a participant, or who has nominated a Nominated Party to be granted the ESIP Shares, ceases to be an employee before the fifth anniversary of the date of acquisition of the ESIP Shares due to resignation, the total and permanent disability of the

employee, the death of the employee or otherwise for reasons other than as a Bad Leaver (**Cessation Event**), then:

- (A) if the Cessation Event occurs between the date of acquisition of the ESIP Shares and the third anniversary of the date of acquisition, then all of the ESIP Shares held by the participant or Nominated Party will become ESIP Leaver Shares and may be purchased by the Company or its nominee pursuant to ESIP Put/Call Arrangements (see paragraph 8.10(l) below);
- (B) if the Cessation Event occurs between the third and fourth anniversary of the date of acquisition of the ESIP Shares, then 50% all of the ESIP Shares held by the participant or the Nominated Party will become ESIP Leaver Shares and may be purchased by the Company or its nominee pursuant to ESIP Put/Call Arrangements (see paragraph 8.10(l) below). The remaining ESIP Shares will continue to held by the participant in accordance with the rules of the ESIP and be subject to the ESIP Lock-Up Period.
- (C) if the Cessation Event occurs between the fourth and fifth anniversary of the date of acquisition of the Shares then 25% all of the ESIP Shares held by the participant or the Nominated Party will become ESIP Leaver Shares and may be purchased by the Company or its nominee pursuant to ESIP Put/Call Arrangements (see paragraph 8.10(l) below). The remaining ESIP Shares will continue to held by the participant in accordance with the rules of the ESIP and be subject to the ESIP Lock-Up Period.

(l) Put/Call Arrangements

(i) Call Option

The Company has a call option in respect of the participant's ESIP Shares, which if exercised, will require the participant to transfer all of its interest in the ESIP Leaver Shares to the Company or its nominee for an amount equal to the greater of \$1 and the outstanding balance of the ESIP Loan Amount that is referable to the ESIP Leaver Shares.

(ii) Put Option

The Company grants a right to the participant, which if exercised, will require the Company or its nominee to acquire all of the interests in the ESIP Leaver Shares for an amount equal to the greater of \$1 and the outstanding balance of the ESIP Loan Amount that is referable to the ESIP Leaver Shares.

(m) Change of control

If there is a change of control event in the Company, the Board may determine that any ESIP Shares may be released from the ESIP Holding Lock and cease to be subject to the ESIP Lock-Up Period. A change of control event includes where the Board recommends shareholders accept a takeover offer or approve or vote in favour of a scheme of arrangement for the takeover, a person acquires voting power in more than 50% of the Shares as a result of a takeover bid or through a scheme of arrangement.

8.10 Summary of the terms of the Employee Loan Share Plan

Set out below is a summary of the terms of the Employee Loan Share Plan or Share Plan adopted by the Company on 11 July 2016.

(a) Eligibility

Offers to acquire Shares (**Plan Shares**) under the Share Plan (**Share Plan Offer**) may be made by the Board of the Company in its absolute discretion to an employee (full-time or part-time) of the Group, director of the Group who holds a salaried employment or office in that body corporate, or any other person determined by the Board to be an employee for the purposes of the Share Plan.

(b) Type of Securities

The Plan Shares are fully paid ordinary shares in the capital of the Company.

(c) Offers

If a Share Plan Offer is made by the Company and accepted by an employee (participant), the participant acquires Plan Shares that are financed by way of a loan from the Company. The Plan Shares are subject to a Holding Lock for a Lock-Up Period (see paragraph 8.10(j) below).

(d) Plan limit

The Company must not provide Plan Shares on acceptance of a Share Plan Offer if the total number of Shares that would be held under the acceptance of the Share Plan Offer, when aggregated with the number of Plan Shares which are held by participants under the Share Plan, would exceed 15% of the total number of issued Shares at that time.

(e) Nominated Party

Plan Shares may be issued to a Nominated Party of the eligible employee if approved by the Board. The Nominated Party may be a trustee of a trust set up wholly for the benefit of the employee, the employee's spouse and/or the employee's child or a company in which all of the issued shares and voting rights are beneficially held by the employee, the employee's spouse and/or the employee's child. Any change in Nominated Party must be notified to the Company in writing and an appropriate transfer of Plan Shares (if a change in Nominated Party occurs) must be arranged after the Nominated Party is approved by the Board.

(f) Nature of the Loan and Loan Amount

The Company loans the participant an amount to equal to the acquisition price of the Plan Shares (**Loan Amount**) as set out in the Share Plan Offer and the Loan Facility under the Share Plan. The participant grants a security interest in the Plan Shares to the Company. Subject to the exercise of the Put/Call Arrangements if a participant has ceased to be an employee during the Loan Period and the repayment obligations in respect of 'Leaver Shares' is satisfied by the transfer of the relevant Leaver Shares, the loan provided under the Loan Facility is a full recourse loan and the borrower/holder must repay the full amount of the Loan Amount (including interest, if applicable) irrespective of the value of the Plan Shares or the dividends received on the Plan Shares.

(g) Interest

No interest is charged on the Loan Amount if the Loan Amount is used to fund the acquisition of Plan Shares which are to be held directly by the employee participant.

If the Loan Amount is used to fund the acquisition of Plan Shares which are to be held by a Nominated Party of the employee participant, interest will be charged on the Loan Amount at the applicable benchmark interest rate as determined by the *Fringe Benefits Tax Assessment Act 1986* and any applicable regulations. Interest will accrue from day to day

from the drawdown date of the Loan Amount and will be calculated on the basis of the actual number of days elapsed (including the first day and the last) and a 365 day year. Accrued interest will be payable in arrears on each six-month anniversary of the Loan Amount drawdown date or as the Board otherwise decides.

(h) Repayment of the loan

The participant may not repay the Loan Amount (including interest, if applicable) before the end of the Loan Period (the 7th anniversary of the date of acquisition of the Plan Shares or such other date set out in the Offer) unless otherwise determined by the Board.

Subject to the exercise of the Put/Call Arrangements if a participant has ceased to be an employee during the Loan Period and the repayment obligations in respect of 'Leaver Shares' is satisfied by the transfer of the relevant Leaver Shares, the participant must repay the outstanding balance of the Loan Amount (including interest, if applicable) to the Company within 30 days of the end of the Loan Period. Where the participant disposes of the Plan Shares, the proceeds of sale must be applied in repayment of the Loan Amount (including interest, if applicable) while any part of the Loan Amount (including interest, if applicable) is outstanding.

(i) Rights associated with Shares

Plan Shares fully vest to the employee participant/holder at the date of acquisition of the Plan Shares. The participant may exercise voting rights attached to any Plan Shares registered in his or her name. The participant will be entitled to receive any distribution (eg dividend, interest, capital reduction, redemption, security buy back, proceeds from sale or otherwise) (**Distribution**) subject to the condition that 50% of any dividend component and 50% of any capital component of the Distribution must be applied in repayment or reduction of the Loan Amount (including interest, if applicable) while any part of the Loan Amount is outstanding.

(j) Restrictions on dealing

The participant must not dispose of or deal with the Plan Shares until the expiry of the Lock-Up Period. The Lock-Up Period applies to the Plan Shares as follows:

- (i) **(1/3 locked until 5th anniversary)**: 1/3 of the Plan Shares are locked until the fifth anniversary of the date of acquisition of the Plan Shares;
- (ii) **(1/3 locked until 6th anniversary)**: 1/3 of the Plan Shares are locked until the sixth anniversary of the date of acquisition of the Plan Shares; and
- (iii) **(1/3 locked until 7th anniversary)**: 1/3 of the Plan Shares are locked until the seventh anniversary of the date of acquisition of the Plan Shares.

At the end of the Lock-Up Period, any Plan Shares that have not been previously released from Holding Lock will be released from Holding Lock.

Once released from the Holding Lock, the participant may deal with the Plan Shares by providing the Company with at least 30 Business Days' notice (**Notice**). The Company may, at its absolute discretion, elect to acquire the Plan Shares at a price equal to the weighted average trading prices of Shares on the ASX during the 30 trading days up to the date of Notice (**Share Plan Offer Price**). If the Company elects to acquire the Plan Shares from the participant, the participant must sell the Plan Shares to the Company for the Share Plan Offer Price.

(k) Cessation of employment

(i) Bad Leaver

If an employee who is a participant, or who has nominated a Nominated Party, ceases to be an employee during the Loan Period due to dismissal by the Company for gross misconduct, conviction, fraud, defalcation, an act that brings the Group into disrepute or any other circumstance of a serious nature that is analogous determined by the Board (**Bad Leaver**), then the Plan Shares held by the participant will be 'Share Plan Leaver Shares' and may be purchased by the Company or its nominee pursuant to Put/Call Option Arrangements (see paragraph 8.10(l) below).

(ii) Good Leaver

If an employee who is a participant, or who has nominated a Nominated Party, ceases to be an employee during the Loan Period due to resignation, the total and permanent disability of the employee, the death of the employee or otherwise for reasons other than as a Bad Leaver (**Event**), then:

- (A) if the Event occurs between the date of acquisition of the Plan Shares and the third anniversary of the date of acquisition, then all of the Plan Shares held by the participant will be Share Plan Leaver Shares and may be purchased by the Company or its nominee pursuant to Put/Call Arrangements (see paragraph 8.10(l) below);
- (B) if the Event occurs between the third and fourth anniversary of the date of acquisition of the Plan Shares, then 50% all of the Plan Shares held by the participant will be Share Plan Leaver Shares and may be purchased by the Company or its nominee pursuant to Put/Call Arrangements (see paragraph 8.10(l) below). The remaining Plan Shares will continue to held by the participant in accordance with the rules of the Share Plan and be subject to the Lock-Up Period.
- (C) if the Event occurs between the fourth and fifth anniversary of the date of acquisition of the Plan Shares then 25% all of the Plan Shares held by the participant will be Share Plan Leaver Shares and may be purchased by the Company or its nominee pursuant to Put/Call Arrangements (see paragraph 8.10(l) below). The remaining Plan Shares will continue to held by the participant in accordance with the rules of the Share Plan and be subject to the Lock-Up Period.

(l) Put/Call Arrangements

(i) Call Option

The Company has a call option in respect of the participant's (or Nominated Party's) Plan Shares, which if exercised, will require the transfer all of the interests in the Share Plan Leaver Shares for an amount equal to the greater of \$1 and the outstanding balance of the Loan Amount that is referable to the Share Plan Leaver Shares.

(ii) Put Option

The Company grants a right to the participant, which if exercised, will require the Company or its nominee to acquire all of the interests in the Share Plan Leaver Shares for an amount equal to the greater of \$1 and the outstanding balance of the Loan Amount that is referable to the Share Plan Leaver Shares.

(m) Change of control

If there is a change of control event in the Company, the Board may determine that any Plan Shares may be released from the Holding Lock and cease to be subject to the Lock-Up Period. A change of control event includes where the Board recommends shareholders accept a takeover offer or approve or vote in favour of a scheme of arrangement for the takeover, a person acquires voting power in more than 50% of the Shares as a result of a takeover bid or through a scheme of arrangement.

8.11 Resolution 10: Shares to George Boubouras, including Shares under the ESIP and Share Plan

(a) Corporations Act – reasonable remuneration and on arm's length terms

Resolution 10 seeks the approval of Shareholders to the issue of a total 3,592,417 Shares to the nominated entity of George Boubouras, Managing Director and Chief Investment Officer on the terms set out below.

Resolution 10 is conditional on the passing of all other Resolutions.

The Board considers the issue of:

- (a) 1,166,479 Shares; and
- (b) 418,411 Shares under the ESIP; and
- (c) 2,007,527 Shares under the Share Plan

which in aggregate have an implied value of \$2,155,451 (based on \$0.60 per Share) to be:

- (d) reasonable remuneration for the Managing Director and Chief Investment Officer and for a company of the size and nature of the Company and given the holding-lock, good and bad leaver and repayment terms that apply to the ESIP Shares and Plan Shares and, as such, falls within the exception set out in section 211 of the Corporations Act; and
- (e) a reasonable one-time issue of Shares consistent with terms negotiated on an arm's length basis given the key-man facilitation role of George Boubouras as Managing Director and Chief Investment Officer in respect of the Transactions, and, as such, falls within the exception of section 210(a) of the Corporations Act.

The Board has determined that the issue of 1,166,479 Shares (for nil consideration), together with the issue of Shares under the Share Plan and the ESIP to the Managing Director and having regard to the quantum, terms of loan repayment, service conditions and restrictions on dealing with Plan Shares and ESIP Shares is an appropriate form of long term incentive remuneration for the Managing Director and Chief Investment Officer.

In determining the Managing Director's remuneration package (\$395,000 inclusive of superannuation), including the grant of Shares under the Share Plan (\$1,204,516.20 value to be acquired under a full recourse loan) and ESIP (\$251,047 value to be acquired under a limited recourse loan) and the financial benefit of loans (including interest-free if ESIP Shares and Plan Shares held directly by the employee), the Board considered the scope of the Managing Director's and Chief Investment Officer's role, the business challenges facing the Company and market practice for the remuneration of chief executives in positions of similar responsibility. Accordingly, the Board determined that the proposed grants of Shares to the Managing Director is appropriate and reasonable remuneration and a reasonable one-time issue of Shares consistent with terms negotiated on an arm's length basis.

The Board considers that the limited recourse nature of the loan to acquire Shares under the ESIP is appropriate to enable the Company to adequately incentivise the eligible

employees, including the Managing Director. In the case of Shares granted to the Managing Director under the ESIP, the Company's recourse against the Managing Director for repayment of the ESIP Loan Amount will be limited to the ESIP Shares acquired under the ESIP

In the case of Shares granted to the Managing Director under the Share Plan, the loan to acquire Shares under the Share Plan is a full recourse loan and the Managing Director must repay the full amount of the Loan Amount (including any interest, if applicable) irrespective of the value of the Plan Shares or the dividends received on the Plan Shares.

Furthermore, if a holder of Shares under the Share Plan and ESIP cease to be an employee before the end of the relevant loan period due to dismissal by the Company for serious misconduct or the like, then the relevant ESIP and Plan Shares held by the participant will be 'Leaver Shares' and may be purchased by the Company pursuant to put/call option arrangements.

(f) Corporations Act – financial assistance

2,007,527 Shares will be issued to George Boubouras' nominated party, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust under the Share Plan which will be funded by a loan from the Company equal to the acquisition price of \$1,204,516.20 and a security interest granted over the 2,007,527 Shares in favour of the Company.

418,411 Shares will be issued to George Boubouras' nominated entity, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust under the ESIP which will be funded by a loan from the Company equal to the acquisition price of \$251,047 and a security interest granted over the 418,411 Shares in favour of the Company.

Details of the terms of repayment of the loan are set out below under sub-section (c)(vi) and (vi).

Resolution 10 seeks approval for the purposes of sections 259B(2) (granting of security over the Shares acquired under the Share Plan and ESIP) and 260A of the Corporations Act (as an exception to the Company's giving of financial assistance as Shares are issued under an employee incentive scheme to an employee).

(c) ASX Listing Rule 10.14

ASX Listing Rule 10.11 provides a general restriction against issuing securities to directors without shareholder approval.

ASX Listing Rule 10.14 provides that a company must not issue equity securities to a director of the company under an employee incentive scheme (such as the Share Plan and ESIP) unless the issue has been approved by shareholders by ordinary resolution. If approval is given by Shareholders under ASX Listing Rule 10.14, separate shareholder approval is not required under ASX Listing Rule 10.11. As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Under Resolution 10 the Company seeks approval from Shareholders for the issue of Shares under the Share Plan and ESIP to the Managing Director, who by virtue of his position as executive director of the Company is a related party of the Company.

For the purpose of Listing Rule 10.15 the following information is provided to Shareholders:

- (i) The maximum number of Shares that can be acquired by George Boubouras' nominated party, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holding Family Trust under the Share Plan and ESIP are 2,425,938, being 2,007,527 under the Share Plan (**Plan Shares**) and 418,411 under the ESIP (**ESIP Shares**);
- (ii) The issue price for the Shares under the Share Plan and ESIP is \$0.60.
- (iii) There have not been any Shares issued or acquired under the Share Plan or ESIP to date. Shares will be issued under the Share Plan and ESIP to other senior management employees as set out in Section 8.8(a).
- (iv) The following persons are eligible to participate in the Share Plan and ESIP: George Boubouras, the incoming Managing Director is the only person referred to in Listing Rule 10.14 who is entitled to participate in the Share Plan and ESIP.
- (v) A voting exclusion statement in relation to Resolution 10 is included in the Notice of Meeting.
- (vi) The Company will offer a loan to the Managing Director for the total value of \$251,047 to assist him to subscribe for the ESIP Shares. The material terms of the loan are:
 - (A) The loan period is three years from the date of acquisition of the ESIP. Instalment amounts are payable as follows: three equal instalments of \$83,682 (net of any PAYE withholding tax and superannuation) payable on each anniversary date of acquisition (each an **Instalment Date**). Subject to the Managing Director remaining employed by the Company at each relevant Instalment Date, the Managing Director will become entitled to a 'Service Payment' of \$83,682 payable on each Instalment Date. The loan instalment amounts may be paid out of the Service Payment amounts.
 - (B) As the ESIP Shares will be allocated to George Boubouras' nominated family trust, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust, interest on the ESIP Loan Amount will be charged on the Loan Amount at the applicable benchmark interest rate as determined by the *Fringe Benefits Tax Assessment Act 1986* and any applicable regulations.
 - (C) Subject to where the Managing Director ceases to be an employee prior to the end of the ESIP Loan Period (and ESIP Shares are bought back by the Company for the greater of \$1 and the outstanding balance of the loan amount for relevant number of ESIP Shares that are 'ESIP Leaver Shares'), the holder may not repay any part of the ESIP Loan Amount prior to the relevant Instalment Date, unless the Board determines otherwise.
 - (D) The loan provided under the ESIP Loan Facility is limited recourse and the Company's recourse against the Managing Director for repayment of the ESIP Loan Amount will be limited to the ESIP Shares acquired under the ESIP.
 - (E) The Managing Director (through his nominated entity) must repay the outstanding balance of the loan amount to the Company within 30 days of the end of the ESIP loan period. Where the Managing Director

disposes of any ESIP Shares after the expiry of the ESIP Lock Up Period, the proceeds of sale must be applied in repayment of the loan amount while any part of the loan amount is outstanding.

- (F) The Managing Director must use that loan solely for the purpose of assisting in financing the acquisition of the ESIP Shares under the ESIP.
 - (G) Security will be taken over the ESIP Shares by the Company in accordance with shareholder approval being obtained for the purposes of section 259B of the Corporations Act.
 - (H) Restrictions on dealing with the ESIP Shares over a ESIP Lock-Up Period under a holding lock and the Company's ability to exercise the call option and buy respectively, all or a portion of the ESIP Shares in certain bad or good leaver cessation of employment events apply, as summarised in Section 8.9 above.
- (vii) The Company will offer a loan to the Managing Director for the total value of \$1,204,516.20 to assist him to subscribe for the Plan Shares. The material terms of the loan are:
- (A) The Managing Director may not repay the loan amount before the end of the Loan Period (the 7th anniversary of the date of acquisition of the Plan Shares or such other date set out in the Share Plan Offer) unless otherwise determined by the Board. The loan provided for the Plan Shares is a full recourse loan and the Managing Director must repay the full amount of the Loan Amount irrespective of the value of the Plan Shares or the dividends received on the Plan Shares. Subject to where Plan Shares become Leaver Shares and are bought back by the Company, the Managing Director must repay the outstanding balance of the loan amount to the Company within 30 days of the end of the loan period. Where the holder disposes of any Plan Shares after the expiry of the Lock Up Period, the proceeds of sale must be applied in repayment of the loan amount while any part of the loan amount is outstanding.
 - (B) As the Plan Shares will be allocated to George Boubouras' nominated family trust, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holding Family Trust, interest on the Loan Amount will be charged on the Loan Amount at the applicable benchmark interest rate as determined by the *Fringe Benefits Tax Assessment Act 1986* and any applicable regulations.
 - (C) The Managing Director (through his nominated entity) must use that loan solely for the purpose of assisting in financing the acquisition of the Plan Shares under the Share Plan.
 - (D) Security will be taken over the Plan Shares by the Company in accordance with shareholder approval being obtained for the purposes of section 259B of the Corporations Act.
 - (E) Restrictions on dealing with the Plan Shares over a Lock-Up Period under a holding lock and the Company's ability to claw-back and buy respectively, all or a portion of the Plan Shares in certain bad or good leaver cessation of employment events apply, as summarised in Section 8.10 above.

A copy of the loan agreements for the Plan Shares and ESIP Shares issued to the Managing Director will be available for inspection at the EGM.

- (viii) The Shares under the Share Plan and ESIP will be issued on the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 12 months after the date of the EGM.

(d) ASX Listing Rule 10.11

1,166,479 Shares will be issued to George Boubouras' nominated family trust, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust, for nil consideration as part of the Managing Director's remuneration and as a one-time issue of Shares given the key-man facilitation role of George Boubouras as Managing Director and Chief Investment Officer in respect of the Transactions.

As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

For the purpose of Listing Rule 10.13 the following information is provided to Shareholders:

- (i) 1,166,479 Shares will be issued to George Boubouras' nominated family trust, Henley Holdings Aust Pty Ltd ACN 613 587 330 ATF Henley Holdings Family Trust;
- (ii) the maximum number of Shares to be issued is 1,166,479;
- (iii) the deemed issue price of the Shares is \$0.60 per Share;
- (iv) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 1 month after the date of the EGM;
- (v) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company;
- (vi) a voting exclusion statement in relation to Resolution 10 is included in the Notice of Meeting; and
- (vii) no funds will be raised by the issue of the Shares. The Shares will be issued for nil consideration as part of the Managing Director's and Chief Investment Officer's remuneration package and key-man facilitation role in respect of the Transactions.

On completion of the Offer and issue of Shares the subject of the Resolutions, George Boubouras (through his nominated entities) will hold a total of 3,925,750 Shares, equal to 9.29% of the issued capital of the Company.

The Board recommends that the Shareholders vote in favour of the issue of Shares (the subject of Resolution 10) to the Managing Director's nominated entity.

8.12 Resolution 11: Shares to Martin Switzer

(a) Corporations Act – reasonable remuneration

The Board considers the issue of 211,319 Shares for nil consideration, which in aggregate have an implied value of \$126,791.40 (based on \$0.60 per Share) to be reasonable

remuneration for director services for Martin Switzer, incoming non-executive Director and for a company of the size and nature of the Company and, as such, falls within the exception set out in section 211 of the Corporations Act.

Resolution 11 is conditional on the passing of all other Resolutions.

(b) ASX Listing Rule 10.11

211,319 Shares will be issued to Barcom Holdings Pty Ltd ACN 613 555 847, the nominated entity of Martin Switzer, for nil consideration towards payment for director services in respect of Martin Switzer, incoming non- executive Director.

As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

For the purpose of Listing Rule 10.13 the following information is provided to Shareholders:

- (i) 211,319 Shares will be issued to Barcom Holdings Pty Ltd ACN 613 555 847, the nominated entity of Martin Switzer, incoming non-executive Director;
- (ii) the maximum number of Shares to be issued is 211,319;
- (iii) the deemed issue price of the Shares is \$0.60 per Share;
- (iv) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 1 month after the date of the EGM;
- (v) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company;
- (vi) a voting exclusion statement in relation to Resolution 11 is included in the Notice of Meeting; and
- (vii) no funds will be raised by the issue of the Shares. The Shares will be issued for nil consideration towards payment for director services.

On completion of the Offer and issue of Shares the subject of the Resolutions, Martin Switzer (through his nominated entity, Barcom Holdings Pty Ltd ACN 613 555 847) and associates (being Peter and Maureen Switzer) will hold a total of 589,303 Shares, equal to 1.38% of the issued capital of the Company.

The Board recommends that the Shareholders vote in favour of the issue of Shares the subject of Resolution 11 to Martin Switzer's nominated entity.

8.13 Resolution 12: Shares to Charles Aitken

(a) Corporations Act – reasonable remuneration

The Board considers the issue of 211,319 Shares for nil consideration, which in aggregate have an implied value of \$126,791.40 (based on \$0.60 per Share) to be reasonable remuneration for director services for Charles Aitken, incoming non-executive Director and for a company of the size and nature of the Company and, as such, falls within the exception set out in section 211 of the Corporations Act.

Resolution 12 is conditional on the passing of all other Resolutions.

(b) ASX Listing Rule 10.11

211,319 Shares will be issued to Charles Aitken's nominated family trust, for nil consideration towards payment for director services in respect of Charles Aitken, incoming non- executive Director.

As approval of the issue of Shares under this Resolution is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

For the purpose of Listing Rule 10.13 the following information is provided to Shareholders:

- (i) 211,319 Shares will be issued to Charles Richard Aitken and Ellie Celia Aitken ATF The C&E Aitken Super Fund;
- (ii) the maximum number of Shares to be issued is 211,319;
- (iii) the deemed issue price of the Shares is \$0.60 per Share;
- (iv) *The date by which the entity will issue the securities:* On the date of receipt of ASX confirmation that the Company's securities are likely to be reinstated to official quotation on the ASX and in any event no later than 1 month after the date of the EGM;
- (v) *Terms of the securities:* Fully paid ordinary shares of the Company ranking equally with all other ordinary shares of the Company;
- (vi) a voting exclusion statement in relation to Resolution 12 is included in the Notice of Meeting; and
- (vii) no funds will be raised by the issue of the Shares. The Shares will be issued for nil consideration towards payment for director services.

On completion of the Offer and issue of Shares the subject of the Resolutions, Charles Aitken through his nominated family trust will hold a total of 377,985 Shares, equal to 0.89% of the issued capital of the Company.

The Board recommends that the Shareholders vote in favour of the issue of Shares the subject of Resolution 12 to Charles Aitken's nominated family trust.

8.14 Resolution 13: Change of Company Name

The Directors believe that the name of the Company should change as a result of the Company's change in business activities as a result of completing the SPV Acquisition. The Directors therefore consider that, subject to the passing of all other Resolutions, the name of the Company be changed to "Contango Asset Management Limited."

The name "Contango Asset Management Limited" is currently used by CAML, the funds manager. CAML will be changing its name to "Contango Funds Management Limited" prior to the date of the EGM.

Section 157 of the Corporations Act requires the Company to pass a special resolution in order to adopt a new company name. As a special resolution, this resolution must be passed by at least 75% of the votes cast by Shareholders entitled to vote on this Resolution.

Resolution 13 is conditional on the passing of all other Resolutions.

The Board recommends that the Shareholders vote in favour of the Company name change the subject of Resolution 13.

8.15 Resolutions 14 to 16: Election of Proposed Directors

Resolutions 14 to 16 respectively seek Shareholder approval, conditional on the passing of all other Resolutions, for the election and appointment of each of George Boubouras (as Managing Director), Charles Aitken (Non-executive Director) and Martin Switzer (Non-executive Director) with effect on and from the completion of the EGM.

Details of the qualifications of George Boubouras (as Managing Director), Charles Aitken (Non-executive Director) and Martin Switzer are set out in Section 5.1.

Pursuant to Listing Rule 14.4, a director appointed must not hold office (without re-election) past the third annual general meeting following the entity's admission to the Official List or 3 years following the entity's admission to the Official List, whichever is longer. This rule does not apply to the Managing Director.

Each of Resolution 14, 15 and 16 is conditional on the passing of all other Resolutions.

The Board recommends that the Shareholders vote in favour of the election of each Proposed Director the subject of Resolutions 14 to 16.

Proxy form

see attached Sample Proxy Form (individualised Proxy Form to be sent to each Shareholder)