

MNF Group Audit Committee Charter

Introduction

This document sets out the charter governing the Audit Committee. The Audit Committee assists the Board to oversee MNF Group's corporate financial reporting process.

Authority

The Board authorises the Audit Committee to:

- obtain information from management as needed or appropriate
- interview management and external auditors (with or without management present)
- resolve any disagreements between management and external auditors
- obtain advice from external consultants or specialists as needed or appropriate
- oversee the selection, appointment and work of external auditors engaged by MNF; and
- act as needed to perform its responsibilities and make recommendations to the Board.

Composition

The Audit Committee will consist of at least three members of the Board.

Audit Committee members will be appointed by the Board.

The Audit Committee will be chaired by an independent director who is appointed by the Board, and who is not the Chair of the Board.

Each Audit Committee member will be a non-executive director. The Committee will aim to have at least half of its membership to be independent directors.

Membership of the Audit Committee will be reviewed annually by the Board and members are eligible for reappointment.

At least one member of the Audit Committee will have accounting and financial expertise with relevant qualifications. At least one member will have an understanding of the industry in which the company operates. All of the members should have the ability to make a valuable contribution to the Audit Committee.

Meetings

The Audit Committee will meet at least twice in a year and more often as the committee considers necessary.

A quorum will be more than half the members. If the chair is not present, the members present will select a chair for that meeting.

All Audit Committee members are expected to attend each meeting in person or by telephone.

The notice and agenda of a meeting will include relevant supporting papers.

The Audit Committee may invite others to attend by invitation. Those invited may take part in the discussions at the meeting but will not have voting rights.

Matters requiring decision will be decided unanimously, or if that is not possible, by a majority of votes of members present, each member present (in person or by telephone) having one vote.

The Company Secretary (or other designated person) will act as secretary to the Audit Committee. The secretary will assist the chair to develop and distribute agendas, papers, minutes and calendar.

Minutes will be prepared by the secretary, approved by the chair and included in the board papers of the next full Board meeting after the Audit Committee meeting.

Roles and responsibilities

The roles and responsibilities of the Audit Committee include:

Financial reporting

- Review significant financial and reporting issues and recent professional and regulatory announcements and understand their effect on the financial report
- Review complex or unusual transactions and other areas of heightened financial risk, understand their effect on the financial report, understand the risk management controls put in place around them and assess the adequacy
- Review the adequacy of the corporate reporting processes
- Review external audit results with management and auditors
- Review the annual financial report and other financial statements
- Consider whether the financial statements reflect the understanding of the Committee of, and otherwise provide a true and fair view of, the company's financial position and performance
- Consider the appropriateness of the accounting judgements or choices made by management in preparing the financial statements
- Consider the appropriateness of the accounting principles and policies adopted by management and any changes and how they are applied
- Understand how the material estimates and judgments in the financial reports have been made and why they are considered reasonable by external auditors
- Review interim financial statements and understand how they have been prepared
- Ask management to explain variations between budgeted or forecast results and actual financial results and consider whether explanations are reasonable
- Ensure that before the Board approves the company's financial statements for a financial period, the CEO and CFO provide the Board with a declaration that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively
- Recommend to the Board whether the Annual Report should be signed

External audit

- Recommend to the Board the selection, appointment, removal and remuneration of the external auditor, including the rotation of the audit engagement partner
- Review the scope and terms of engagement of the external auditor to ensure the adequacy of the external audit
- Review the performance of the external auditor
- Consider the independence of the external auditor
- Consider and recommend to the Board in relation to any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor

Internal Control and Compliance

- Review the internal processes for identifying and managing key risks including legal and regulatory compliance and fraud - consider their adequacy and address any concerns with management.
- Ensure that processes are in place to report significant risks to the Board
- Review the performance management processes, consider their adequacy and address any concerns with management
- Consider the adequacy of the Code of Conduct and recommend any changes, monitor compliance with the code and company policies
- Monitor management's response to auditor recommendations in relation to internal controls and whether they have been implemented

Other responsibilities

- Make recommendations to the Board in relation to matters within the Committee's area of responsibility
- Perform any other responsibilities requested by the Board
- Initiate and oversee special investigations if required
- Assist the Board to ensure appropriate corporate governance is in place
- Review and monitor all material related party transactions

Reporting to the Board

The chair of the Audit Committee will report to the Board after each Committee meeting.

Reviews

The Audit Committee will review this charter periodically.

The Audit Committee will review its performance and that of its individual members annually. As part of that review, the Committee will consider the extent to which the Audit Committee has performed its responsibilities under this charter, and the appropriateness of the composition of the Committee.