

# MNF Group Board Charter

## Introduction

The MNF Group Board has adopted this Board Charter to set out the way it exercises and discharges its powers and responsibilities under the company's Constitution and the law. This charter has been developed having regard to principles of good corporate governance.

## Role and responsibilities of the Board

The role and responsibilities of the Board include:

- providing leadership and setting the strategic objectives of the company
- overseeing management's implementation of the company's strategic objectives and monitoring business performance
- approving operating budgets and major capital expenditure
- approving major financial decisions
- overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit
- overseeing the company's continuous disclosure processes in relation to market sensitive information
- ensuring company has an appropriate risk management and controls framework in place
- setting expectations with management about the risk appetite within which the Board expects the company to operate
- approving the company's remuneration framework
- monitoring the effectiveness of the company's governance practices
- appointing the chair
- appointing, evaluating performance of, and when necessary replacing, the CEO
- appointing, and when necessary replacing, the Company Secretary
- determining the size and composition of the Board and overseeing the selection and appointment of new board members

## Matters expressly reserved to the Board or Board Committees

Matters expressly reserved to the Board or Board Committees include:

- appointing the chair
- appointing, evaluating performance of, and when necessary replacing, the CEO
- appointing, and when necessary replacing, the Company Secretary
- determining the size and composition of the Board and overseeing the selection and appointment of new board members
- establishing Board Committees and their charters and membership
- appointment of directors
- approval of dividends
- approval of annual budget and major capital expenditure in excess of delegated authority levels
- investments in new businesses, acquisitions and divestitures, except to the extent delegated by the Board
- calling shareholder meetings
- other specific matters nominated by the Board from time to time

## Delegations to management

Except for any functions which the Board is required by law to carry out, the Board delegates to management:

- the day to day management of the operations and administration of the company
- functions not expressly reserved to the Board
- other functions as the Board considers appropriate

## Role and responsibilities of the Chair

The role and responsibilities of the Chair include:

- providing leadership to the Board, setting the tone and a common purpose
- setting the Board's agenda in consultation with the CEO and chairing Board meetings
- chairing shareholder meetings
- facilitating the effective contribution of all directors
- establishing and overseeing the performance evaluation process for the Board and its members and managing underperformance if required
- overseeing CEO appointment and performance evaluation process
- establishing and maintaining an effective working relationship with the CEO
- succession planning in relation to the CEO
- promoting constructive and respectful relations among directors and between the Board and management

## Role and Responsibilities of the Company Secretary

The role and responsibilities of the Company Secretary are set out in their position description and include:

- advising the Board and Board Committees on governance matters
- ensuring that Board and Board Committee policy and procedures are followed
- coordinating the timely completion and despatch of Board and Board Committee papers
- accurately minuting the business at Board and Board Committee meetings
- helping to organise and facilitate the induction and professional development of directors

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

## Role and responsibilities of the CEO

The role and responsibilities of management include:

- implementing the policies and strategic objectives set by the Board
- appointing and when necessary replacing senior executives
- ensuring that the company operates within the risk appetite set by the Board
- conducting day to day management of the company
- providing accurate, timely and clear reporting and information to the Board

## Board Committees

The Board has created the following Board Committees to assist it to discharge its responsibilities:

- Audit Committee
- Remuneration Committee

Separate charters have been adopted to govern the operations of each Board Committee.

Roles and responsibilities which would otherwise be performed by Risk and Nomination Committees are performed by the Board as a whole.

## Board structure

The Board will consist of between three and twelve directors, or other number determined by the company in general meeting.

The Board will be chaired by an independent director who is appointed by the Board. The chair and the CEO will not be the same person.

The Board will aim to have at least half of its membership to be non-executive directors.

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## Independence

The Board assesses the independence of each non-executive director at least annually, and as soon as possible after any change of interest, position, association or relationship. If the Board determines that the director's independent status has changed, the change will be disclosed and explained promptly to the market.

A director is considered independent if the person is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of MNF Group and its shareholders generally.

Relevant factors which could affect a director's influence include if the director:

- is, or has been, employed in an executive capacity by MNF Group or any of its subsidiary companies within the last three years
- is, or has been, a partner, director or senior employee of a provider of material professional services to MNF Group or any of its subsidiary companies within the last three years
- is, or has been, in a material business relationship (eg as a supplier or customer) with MNF Group or any of its subsidiary companies, or an officer of, or otherwise associated with, someone with such a relationship within the last three years
- is a substantial security holder of MNF Group or an officer of, or otherwise associated with, a substantial security holder of MNF Group
- has a material contractual relationship with MNF Group or any of its subsidiary companies other than as a director
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of MNF Group for such a period (more than ten years) that his or her independence may have been compromised.

If a director has an interest, position, association or relationship of the kind described above, the Board will assess its materiality and whether it might interfere or might reasonably be seen to interfere with the director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of MNF Group and its shareholders generally. If the Board considers that the independence of the director is not compromised, the company will disclose the interest, position, association or relationship and explain the Board's reasons.

## Board composition

The Board determines the size and composition of the Board, in line with the Constitution and applicable law.

The Board reviews the composition of the Board periodically to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities. A useful tool in this regard is the Board skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve.

### **Declaration of interests**

Each director or candidate will declare any relevant interest, position, association or relationship (including but not limited to those listed in relation to independence) when they stand for election or re-election as a director and must inform the Board as soon as possible after any change occurs.

### **Induction and professional development**

MNF Group provides an induction program for all new directors.

MNF Group offers all directors the opportunity to engage in professional development to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

### **Access to independent professional advice and management**

Directors may seek independent professional advice at the company's expense, after prior consultation with the Chair. A copy of advice received will be made available to all other Board members.

Directors can communicate directly with the Company Secretary and vice versa.

Directors have open access to MNF Group's senior executive team through the Chair, CEO or Company Secretary. Directors may request briefings from senior executives on specific matters.

### **Meetings**

The Board meets regularly. Board meetings are governed by the company's Constitution.

### **Reviews**

The Board reviews its performance and that of individual Directors annually. As part of that review, the Board considers the extent to which the Board has performed its responsibilities under this charter.

The Board reviews this charter periodically and makes any changes considered appropriate.