

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MNF GROUP LIMITED

ABN / ARBN:

37 118 699 853

Financial year ended:

30 JUNE 2018

Our corporate governance statement² for the above period above can be found at:³

- These pages of our annual report:
- This URL on our website: <http://www.mnfgroup.limited/investors/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 28 September 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 28 September 2018

Name of Secretary authorising lodgement: Catherine Ly



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|--|---|
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|--|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|--|--|
| 2.3 | A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|--|---|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> <p>The Board has an audit committee but not all members are non-executive.</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|--|--|---|
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|---|---|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|---|
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|---|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.mnfgroup.limited/investors/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|---|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |



2018 Corporate Governance Statement

This statement is provided in accordance with ASX Listing Rule 4.10.3

This statement is current at 27 August 2018. This statement has been approved by the Board.

Unless otherwise stated below, the company has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition, 2014) during the period from 1 July 2017 to 30 June 2018.

Principle 1: Lay solid foundations for management and oversight

At a high level, the Board is responsible for providing leadership and setting the strategic objectives of the company, approving operating budgets, major capital expenditure and major financial decisions, overseeing the integrity of accounting and corporate reporting systems, overseeing continuous disclosure processes, ensuring appropriate risk management and controls framework, approving the remuneration framework, and monitoring effectiveness of governance practices.

The Board expressly reserves to itself the appointment of the CEO and evaluation of their performance, appointing the Chair and Company Secretary, determining the size and composition of the Board, establishing Board Committees and their charters and membership, 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) and calling shareholder meetings.

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 and other functions as the Board considers appropriate.

The Board Charter is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>

The Board screens each new candidate before appointing or recommending them for election as director. Screening includes checking their character, experience, education, criminal record and bankruptcy by checking references and searching public registers and information.

Before a candidate stands for election or re-election as a director, all material information in the company's possession which is relevant to a decision on whether or not to elect or re-elect them as a director is provided to security holders, including the candidate's relevant qualifications, experience and skills, details of any other material directorships currently held by the candidate and a statement by the Board that it supports the election or re-election of the candidate, along with the term of office then currently served in the case of re-election.

During the reporting period, the company had a written agreement with all Directors and CEO and with all senior executives setting out the terms of their appointment.



The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. This is reflected in the company's organisation structure and also in the Company Secretary's position description.

The company has a diversity policy which includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the company's progress in achieving them. The policy is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>

The table below sets out the objectives set by the Board for achieving gender diversity and in the case of the reporting period, the progress made towards achieving them.

| | FY2018 | | FY 2019 Objectives |
|---|-------------------------|-------------------------|-------------------------|
| | Objectives | Actual | |
| Women on the board | Number = 0 % = 0 | Number = 0 % = 0 | Number = 0 % = 0 |
| Women in senior management roles | Number = 12 % = 41% | Number = 13 % = 39% | Number = 15 % = 40% |
| Overall women employees | Number = 120 % = 39% | Number = 131 % = 37% | Number = 155 % = 39% |

In June of this year the company reported Gender Equality Indicators under the Workplace Gender Equality Act for the period 1 April 2017 to 31 March 2018. A copy of the report is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>

The Board evaluates the performance of the Board, its Committees and individual Directors at least annually and more often as required. The process involves considering whether the Board and Committees are fulfilling their responsibilities, whether meetings operate effectively and whether the Board is able to make decisions effectively. Evaluation of individual Directors' performance includes considering the contribution each makes to the Board and Committees, whether they understand the company business and strategy and keep up to date with changes and current issues in the industry, their individual expertise and ability, whether they attend all meetings, prepare well for them and actively contribute at them, whether they challenge management if needed including seeking explanations for any differences from forecasts and budgets. Share price growth, and whether strategic acquisitions and other initiatives are achieving their forecast or anticipated outcomes are all considered as part of the evaluation.

A performance evaluation of the Board, Board Committees and individual Directors was undertaken in the reporting period in accordance with that process.

The performance of senior executives is evaluated at least annually and more often as required. The process involves a formal review of an individual's performance and achievements against their responsibilities, objectives and expected behaviours. The process is designed to identify any areas to

be addressed, additional support or training which may be required. A performance evaluation of all senior executives was undertaken in the reporting period in accordance with that process.

Principle 2: Structure the board to add value

The Board does not have a nomination committee. The Board as a whole at least annually, and more often as required, reviews its composition and the ability and qualities of individual Directors to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. The Board monitors the ability of individual Directors to provide adequate time to meet their responsibilities to the company. The Board as a whole reviews Board succession issues at least annually and more often as required.

The Board has or is looking to achieve the mix of skills and diversity set out below.

| Skill / Diversity | The Board has this skill / diversity now |
|---|--|
| Financial literacy | ✓ |
| Strategic expertise | ✓ |
| Developing and managing people and achieving change | ✓ |
| Managing risk | ✓ |
| Knowledge of financial markets | ✓ |
| Leadership | ✓ |
| Business acumen | ✓ |
| Information and technology | ✓ |
| Engineering and networks knowledge | ✓ |
| Software knowledge | ✓ |
| Telecommunications knowledge | ✓ |
| Entrepreneurship | ✓ |
| Innovation | ✓ |
| Global expertise and experience | ✓ |

| | |
|--|---|
| Governance and compliance | ✓ |
| Knowledge of a director's responsibilities | ✓ |
| Cultural diversity | ✓ |
| Gender diversity | × |
| Age diversity | ✓ |
| Physical ability diversity | ✓ |

The table below lists the Directors, whether they are considered by the Board to be independent and their lengths of service.

| Director | Independent | Length of service |
|--------------------------|-------------|------------------------|
| Terry Cuthbertson, Chair | ✓ | Since 8 March 2006 |
| Michael Boorne | ✓ | Since 19 December 2006 |
| Andy Fung | ✓ | Since 8 March 2006 |
| Rene Sugo (CEO) | X | Since 8 March 2006 |

The majority of the Board is considered to have been independent throughout the reporting period. Included among the independent Directors is the Chair, who is not the CEO.

Half of the Board is made up of the two founders, Rene Sugo and Andy Fung, who continue to have substantial shareholdings in the company. As CEO, Rene Sugo is not considered to be independent. The Board is of the view that Andy Fung's substantial shareholding does not compromise his independence as director because he is able to assess and make decisions about issues before the Board objectively and independently, and to act in the best interests of the company and its shareholders overall. The Board considers that a Director with a shareholding in the company has a strong interest in ensuring the continuing success of the company which is in the interests of all shareholders.

The Board is of the view that each of Mr Cuthbertson, Mr Boorne and Mr Fung remain independent as a director despite having been on the Board for a long period. They contribute a deep understanding of the company and business.



MNF Group has an induction program for new Directors. During the reporting period, all Directors had the opportunity to engage in professional development to develop and maintain the skills and knowledge they needed to perform their roles effectively.

Principle 3: Act ethically and responsibly

MNF Group has a Code of Conduct for its Directors, senior executives and all employees. The code is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>

All Directors, senior executives and employees are expected to be aware of and comply with the code and training on the code is incorporated into training of all new employees. The code sets the company's expectations related to behaving ethically and professionally, avoiding conflicts of interest, using a person's position and company property and information properly, obeying the law and company policies and procedures, and safety and accountability.

Principle 4: Safeguard integrity in corporate reporting

The Board has an Audit Committee. The Audit Committee Charter is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>. The table below sets out the Committee members, the number of times the Committee met throughout the reporting period and the individual attendances of the members at those meetings.

| Audit Committee Member | Committee meeting 14 August 2017 | Committee meeting 12 February 2018 |
|---|-------------------------------------|---------------------------------------|
| Michael Boorne (Committee Chair) Non-executive Director | ✓ | ✓ |
| Terry Cuthbertson Non-executive Director | ✓ | ✓ |
| Andy Fung Non-executive Director | ✓ | ✓ |
| Rene Sugo Executive Director (CEO) | ✓ | ✓ |

Relevant qualifications and experience of the Committee members are set out in their Director profiles.

Three out of four of the Committee members were non-executive directors, rather than all of them as recommended by the ASX. In line with the ASX recommendations, a majority of Committee members, including the Chair, were independent, and the Chair of the Committee was not the Chair of the Board. The Board considers that the Committee was able to perform its functions objectively,



to apply independent judgment to its recommendations and to act in the best interests of the company and shareholders generally.

During the reporting period, before the Board approved the company's financial statements, the Board received from its CEO and CFO a declaration that, in their opinion, the financial records of the company had been properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the company and that their opinion had been formed on the basis of a sound system of risk management and internal control which was operating effectively.

The company's external auditor attended the company's 2017 AGM and was available to answer shareholder questions.

Principle 5: Make timely and balanced disclosure

During the reporting period, the company had a policy and processes for complying with its continuous disclosure obligations under the Listing Rules. The company notifies the ASX as soon as the company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the value of the company's shares. As soon as ASX confirms that it has received the notification, information is placed on the company's website at <http://mnfgroup.limited/investors/asx-announcements>

Care is taken not to disclose market sensitive information in investor or media presentations, briefings or interviews unless first lodged with the ASX and published on the company's website.

The CEO and Board have primary responsibility for ensuring that the company complies with its continuous disclosure obligations and the Board decides what information is required to be disclosed and for approving announcements for release to the ASX.

The continuous disclosure policy is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>

Principle 6: Respect the rights of security holders

MNF Group is committed to providing shareholders and investors ready access to information about the company and its governance and to communicating openly and honestly with them. The company provides information about itself and its corporate governance to investors via its website at <http://mnfgroup.limited>

The company has developed an investor relations program comprising regular investor and analyst briefings. The program is designed to build greater understanding about the company among institutional investors and analysts and its business and to provide an opportunity to hear participants' views.



All announcements made to the ASX are placed on the company website at <http://mnfgroup.limited/investors/asx-announcements> as soon as the ASX has confirmed their receipt. Investor presentations are promptly placed on the company website, and investors are notified of investor conference calls to hear the CEO present any presentations by means of a link posted on each ASX announcement. Shareholders have opportunities to ask questions during these conference calls.

MNF Group encourages shareholder participation at the AGM and any other shareholder meetings which may be held. Shareholders who cannot attend the meeting are invited to provide questions or comments ahead of the meeting.

Shareholders have the option to receive communications from, and send communications to the company and its share registry electronically.

Principle 7: Recognise and manage risk

The Board does not have a Risk Committee. The Board as a whole oversees the company's risk management framework. The process includes reviewing the company's risk appetite and the potential impact of external factors, identifying and assessing the material risks and mitigation strategies, reviewing accountabilities and roles to manage specific material risks, reviewing the company's overall risk management policies and procedures, their implementation and effectiveness and reporting of relevant risk information to the Board.

The Board reviews the company's risk management framework at least annually. The Board reviewed the company's risk management framework in the reporting period.

The company does not have an internal audit function. The company evaluates and continually improves the effectiveness of its risk management and internal control processes through periodic reviews related to the different areas of the business.

The Board considers that there is no material risk to the company being able to continue operating at its current and forecast level of economic production over the long term, in a way that is environmentally and socially sustainable.

Principle 8: Remunerate fairly and responsibly

The Board has a Remuneration Committee. The Committee's charter is available on the company's website at <http://mnfgroup.limited/investors/corporate-governance>.

The table below sets out the committee members, the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings.

| Remuneration Committee Member | Committee meeting 13 December 2017 |
|---|---------------------------------------|
| Michael Boorne (Committee Chair) Non-executive Director | ✓ |
| Terry Cuthbertson Non-executive Director | ✓ |
| Andy Fung Non-executive Director | ✓ |
| Rene Sugo Executive Director (CEO) | ✓ |

A majority of the Committee members, including the Chair, were independent throughout the reporting period, and the Chair of the Committee was not Chair of the Board.

The company recognises that hiring and keeping good people is crucial to the success of the business. Company policy is to remunerate non-executive directors, the CEO and senior executives at fair market rates having regard to the size of the company. Remuneration of the executive and senior managers typically includes an at risk component which is dependent on performance as well as grant of share options. The company rewards good performance and aims to keep increases in line with the company's growth rates. The company benchmarks remuneration against that of similar sized public companies.

The company has an equity based remuneration scheme. The company's policy is that participants are not permitted to enter into transactions which limit the economic risk of participating in the scheme.