

Notice of General Meeting

Notice is hereby given that the General Meeting of the shareholders of MNF Group Limited (**Company**) will be held at 11am on Thursday, 7 March 2019 at Level 4, 580 George Street, Sydney 2000.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

SPECIAL BUSINESS

Resolution 1 – Financial Assistance

To consider and, if thought fit, pass the following special resolution:

“That

- (1) *in accordance with, and for the purpose of section 260B(2) of the Corporations Act 2001 (Cth), approval is given to the giving of what may be regarded as financial assistance by each of the following wholly-owned subsidiaries of the Company:*
 - a. *Telcoinabox Operations Pty Limited ACN 162 159 935;*
 - b. *iVox Pty Ltd ACN 108 182 421;*
 - c. *Neural Networks Technology Services Pty Ltd ACN 600 304 096;*
 - d. *Mobile Service Solutions Pty Limited ACN 606 336 832; and*
 - e. *Symmetry Networks Pty Ltd ACN 166 679 894*

*(each an **Inabox Target**) for the purpose of, or in connection with, the acquisition of shares in each Inabox Target by the Company, the details of which are set out in the accompanying Explanatory Memorandum;*
- (2) *further documents in addition to those mentioned in the Explanatory Memorandum may be required or desirable for the purposes of the transactions contemplated in the Explanatory Memorandum and the shareholders approve the entry into and giving effect to such documents;*
- (3) *approval be given to the proposed actions of the directors and the Company in doing all things necessary to give effect to the transactions contemplated in the Explanatory Memorandum which assist the acquisition by the Company of all the issued shares in each Inabox Target and any other transaction contemplated in the Explanatory Memorandum; and*
- (4) *any director or secretary be directed to lodge with the Australian Securities and Investments Commission a notice of these resolutions and note the Company's records accordingly.”*

By order of the Board

Catherine Ly
Company Secretary
4 February 2019

Explanatory Memorandum

Resolution 1 is a special resolution and is proposed in order to satisfy the Company's obligations to Westpac Banking Corporation under the terms of the loan facility obtained to acquire the wholesale and enablement business of IAB Holdings Ltd (formerly known as Inabox Group Limited). Detailed explanation about this resolution is given in paragraphs 1 to 8 below.

1. Background

This Resolution relates to the giving of what may be regarded as financial assistance, to which section 260A of the *Corporations Act 2001* (Cth) (**Corporations Act**) will apply, that the following entities (each an **Inabox Target**):

- a. Telcoinabox Operations Pty Limited ACN 162 159 935;
- b. iVox Pty Ltd ACN 108 182 421;
- c. Neural Networks Technology Services Pty Ltd ACN 600 304 096;
- d. Mobile Service Solutions Pty Limited ACN 606 336 832; and
- e. Symmetry Networks Pty Ltd ACN 166 679 894,

proposes to give in relation to the transaction set out in paragraph 2 below (**Transaction**).

2. Transaction

Acquisition

- 2.1 The Company acquired all of the shares in each Inabox Target from IAB Holdings Ltd (formerly known as Inabox Group Limited) ACN 161 873 187 (the **Acquisition**).
- 2.2 Immediately after the Acquisition, each Inabox Target became the wholly-owned subsidiary of the Company, which is a listed domestic corporation (**Listed Holding Corporation**).

Facilities Agreement

- 2.3 By a facilities agreement (**Facilities Agreement**) dated 22 April 2015 between, amongst other parties, the Company as borrower and Westpac Banking Corporation ABN 33 007 457 141 (**Financier**) as lender, as amended by an amendment deed dated 11 December 2018, the Financier agreed to make certain funds available to the Company to (directly or indirectly) fund the purchase price of the Acquisition and other costs associated with the Acquisition, including financing the working capital requirements of the Company and its subsidiaries (**Acquisition Costs**).
- 2.4 It is proposed that, to better secure or support the obligations of the Obligors (as defined in the Facilities Agreement and which includes the Company) (**Obligors**) in relation to the Finance Documents (as defined in the Facilities Agreement) (**Finance Documents**), each Inabox Target:
 - a. enter into a general security deed in favour of the Financier (**General Security Deed**), which will grant a security interest over all of each Inabox Target's present and after-acquired property (as that term is defined in the *Personal Property Securities Act 2009* (Cth)) in favour of the Financier. The General Security Deed will secure all amounts owing by the Company to the Financier from time to time; and
 - b. enter into an Accession Deed to the Facilities Agreement by which each Inabox Target will grant a guarantee in favour of the Financier (**Guarantee**). As a result, each Inabox Target will (among other things) guarantee all amounts owing by the Company to the Financier from time to time,

(together, the **Securities**).

- 2.5 The entry into the Securities is a condition to the continuing provision of funds by the Financier under the Facilities Agreement.

3. Financial assistance

3.1 Particulars of the proposed financial assistance

Section 260A of the Corporations Act states that:

“A company may financially assist a person to acquire shares ... in the company, or a holding company of the company only if: ...the assistance is approved by shareholders under section 260B...”

3.2 Proposed Financial Assistance

- a. The entry into the Securities by each Inabox Target in favour of the Financier as required under the terms of the Facilities Agreement might constitute the giving of financial assistance by each Inabox Target, to which section 260A of the Corporations Act will apply, by virtue of the following:
 - i. the Financier has made certain funds available to the Company under the Facilities Agreement which has been used to fund the Acquisition Costs;
 - ii. the Guarantee:
 - A. will be given by each Inabox Target and will operate to guarantee the Obligors' obligations in relation to the Finance Documents; and
 - B. is a condition to the continuing provision of the funds by the Financier under the Facilities Agreement; and
 - iii. the General Security Deed:
 - A. will be entered into by each Inabox Target and will secure Obligors' obligations in relation to the Finance Documents; and
 - B. is a condition to the continuing provision of the funds by the Financier under the Facilities Agreement.
- b. In addition, in the future, each Inabox Target may:
 - i. make available directly or indirectly its cash flows or other assets (whether through dividends, capital distributions, intercompany loans or otherwise) in order to enable the Obligors to comply with their payment and other obligations to the Financier;
 - ii. transfer assets to, or assume other liabilities of other subsidiaries or related parties of the Company;
 - iii. agree to amend the Facilities Agreement, the Securities or the other Finance Documents which may include more onerous obligations;
 - iv. provide additional guarantees or security, including mortgages and/or charges;
 - v. subordinate intercompany claims;
 - vi. be required to enter into one or more of documents in connection with the Acquisition or its financing under which the Inabox Target incurs obligations including but not limited to securities, Finance documents and new guarantees;
 - vii. execute, or accede to, any document ancillary to, or in connection with, or in substitution for, any Finance Document, any new facility agreement and any guarantee, indemnity or security interest given in connection with the Finance Documents or any facility replacing the facilities provided under the Facilities Agreement and any related document; and
 - viii. provide other financial assistance in connection with the Acquisition, including for any refinancing,

(Other Contributions).

The transactions described in this paragraph 3.2 are referred to as the Proposed Financial Assistance.

3.3 **Effect of Proposed Financial Assistance**

The Proposed Financial Assistance, if given, will result in each Inabox Target incurring (among other things) liabilities under the Securities in relation to, among other liabilities, the Company's liabilities under the Facilities Agreement.

3.4 **Why Shareholder approval is required**

- a. Under section 260B(1) of the Corporations Act, the Proposed Financial Assistance may be given by each Inabox Target if it is approved by way of shareholder approval given by:

“(a) a special resolution passed at a general meeting of the company, with no votes cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or

(b) a resolution agreed to, at a general meeting, by all ordinary shareholders”.

- b. In addition, section 260B(2) of the Corporations Act provides that:

“If the company will be a subsidiary of a listed domestic corporation immediately after the acquisition referred to in section 260A occurs, the financial assistance must also be approved by a special resolution passed at a general meeting of that corporation.”

In this case, under section 260B(2) of the Corporations Act, the Proposed Financial Assistance must be approved by a special resolution of shareholders of the Company, being the company which is the Listed Holding Corporation of each of the Inabox Targets for the purposes of section 260B(2).

4. **Effect of and reasons to give the Proposed Financial Assistance**

4.1 **Effect of the Proposed Financial Assistance**

- a. The effect of the Proposed Financial Assistance is that:
- i. each Inabox Target will have significant obligations under the Finance Documents which it otherwise would not have; and
 - ii. the cash reserves of each Inabox Target will be reduced to the extent it provides Other Contributions to enable the Obligors to comply with their payment or other obligations in relation to the Finance Documents or to otherwise fund or reimburse (directly or indirectly) the Acquisition Costs.
- b. In particular, as a party to the Finance Documents:
- i. each Inabox Target will assume joint and several liability with the Obligors;
 - ii. the Financier may be entitled in certain circumstances following an 'event of default' under the Finance Documents to enforce the security granted by each Inabox Target and apply the proceeds of enforcement towards the repayment of the amounts owed under the Finance Documents;

- iii. each Inabox Target will provide certain representations, warranties and undertakings and have certain restrictions imposed on its business, including the ability to:
 - A. grant further security over its assets or dispose of assets; and
 - B. borrow money in the future or to incur further financial indebtedness; and
- iv. each Inabox Target may be required to make available directly or indirectly Other Contributions in order to enable the Obligors to comply with their payment or other obligations under the Finance Documents.
- c. If the Obligors fail to pay the amounts loaned to them in accordance with the terms of the Finance Documents or fail to comply with the terms of the Finance Documents, the Obligors will be in breach of their obligations to the Financier. Following an event of default, the Financier may enforce its rights under the Finance Documents which may impact on the solvency of each Inabox Target and the interests of the creditors and/or sole shareholder of each Inabox Target.
- d. The directors of the Company have considered the events of default provided for in the Finance Documents. On the basis of this consideration, the directors have no reason at this time to believe that the Company (or any of its applicable subsidiaries or related entities) is likely to or will become subject to an event of default under the Finance Documents, and accordingly it is unlikely that the security provided for in the Finance Documents will be enforced. The directors have also taken into account the advantages of the Proposed Financial Assistance set out in this Explanatory Memorandum and the rights of each Inabox Target to seek contribution from each other Obligor under the Finance Documents in the event that enforcement of security occurs.

4.2 **Reasons and advantages for the proposal to give the Proposed Financial Assistance**

- a. Although the obligations under the Finance Documents are significant the shareholders are directed to consider the reasons for the Proposed Financial Assistance and the relevant grounds on which:
 - i. the Proposed Financial Assistance could benefit the Company and its affiliates; and
 - ii. the shareholders could approve the Proposed Financial Assistance.
- b. These grounds include the following:
 - i. the prospects, business opportunities and reputation of the Company and its affiliates should improve as a result of the Acquisition (pursuant to which each Inabox Target and the Company have become part of a corporate group);
 - ii. the outcome of the Acquisition is expected to provide profit and growth opportunities for the Company and improve the financial position of the Company and its affiliates including by providing access to more flexible financing arrangements on favourable terms and access to the Facilities (as defined in the Facilities Agreement) which will assist in managing the working capital requirements of the Company and each Inabox Target;
 - iii. the Facilities (to the extent they were used or are used in the future to fund or reimburse Acquisition Costs if the Proposed Financial Assistance is approved) would not be maintained without each Inabox Target providing the Proposed Financial Assistance;
 - iv. there will be restrictions on the support the Company (and its affiliates) can provide to the Inabox Targets if each Inabox Target does not provide the Proposed Financial Assistance;
 - v. the considerations in paragraphs 4.1(d);

- vi. the directors consider that the giving of the Proposed Financial Assistance will be in the best interests of, and for the benefit of, the Company, as it will among other things assist the Company, the Inabox Targets and their affiliates with their ongoing financing requirements and pursuit of their corporate objectives (including by providing access to more flexible financing arrangements on favourable terms as a result of each Inabox Target becoming part of the corporate group in which the Ultimate Holding Company is included); and
- vii. the Company will be part of a corporate group that will be focused on supporting and improving the performance of each Inabox Target, and its affiliates and holding companies.

5. Approval of the Proposed Financial Assistance

- 5.1 This Resolution will be passed if:
 - a. all shareholders vote in favour of the resolution; or
 - b. at least 75% of shareholders that are entitled to vote on the resolution, vote in favour of the resolution.

6. Directors' recommendation

- 6.1 The board of the Company has had regard to the effect and advantages of the proposed resolution, including those referred to in paragraph 4.
- 6.2 Each of the directors of the Company recommends that the shareholders of the Company vote in favour of the resolution proposed above and that it is in the interests of the Company to do so.

7. Prior notice to Australian Securities & Investments Commission

As required by section 260B(5) of the Corporations Act, copies of the notice of meeting and this Explanatory Memorandum as sent to the shareholders were lodged with the Australian Securities & Investments Commission prior to their dispatch to shareholders.

8. Disclosure

The directors consider that this Explanatory Memorandum contains all the information known to the Company that would be material to the shareholders in deciding how to vote on the proposed resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
MNF Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of MNF Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am on Thursday, 7 March 2019 at Level 4, 580 George Street, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 1

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

For Against Abstain*

1 Financial Assistance

STEP 2

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Tuesday, 5 March 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

MNF Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* in business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**