



2019 Corporate Governance Statement

This statement is provided in accordance with ASX Listing Rule 4.10.3

This statement is current at 10 September 2019. 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 2018 to 30 June 2019.

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 <https://mnfgroup.limited/investors/corporate-governance>

The Board screens each new candidate in relation to 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 <https://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.

	FY2019		FY 2020 Objectives
	Objectives	Actual	
Women on the board	Number = 0 % = 0	Number = 0 % = 0	Number = 0 % = 0
Women in senior management roles	Number = 15 % = 40%	Number = 13 % = 33%	Number = 15 % = 38%
Overall women employees	Number = 155 % = 39%	Number = 134 % = 34%	Number = 140 % = 40%

In June of this year the company reported Gender Equality Indicators under the Workplace Gender Equality Act for the period 1 April 2018 to 31 March 2019. A copy of the report is available on the company's website at <https://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
David Stewart	✓	Since 13 August 2019
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.

Two of the directors are the 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 <https://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 <https://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 27 August 2018	Committee meeting 25 February 2019
Michael Boorne (Committee Chair) Non-executive Director	✓	✓
Terry Cuthbertson Non-executive Director	✓	✓
Andy Fung Non-executive Director	✓	✓
Rene Sugo Executive Director (CEO)	✓	✓
David Stewart Non-executive Director *	X	X

*Appointed as Audit Committee member since 26 August 2019.

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

During the reporting period, 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 2018 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 <https://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 <https://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 <https://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 <https://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 <https://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 12 December 2018
Michael Boorne (Committee Chair) Non-executive Director	✓
Terry Cuthbertson Non-executive Director	✓
Andy Fung Non-executive Director	✓
Rene Sugo Executive Director (CEO)	✓
David Stewart Non-executive Director *	X

*Appointed as Remuneration committee member since 26 August 2019

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.