MNF Group Limited

ACN 118 699 853

Securities Trading Policy

03 November 2015

Introduction

This policy sets out how and when MNF Group Limited's directors and employees are permitted to trade in the company's securities.

Trading refers to buying, selling and dealing in MNF Group Limited (MNF Group) shares, in options over unissued MNF Group shares, and in rights to subscribe for MNF Group shares.

Directors and employees typically have or are perceived to have market sensitive information or inside information about the company which is not generally available to investors. Insider trading is a criminal offence and can damage a company's reputation and market value. Just the perception of insider trading in a company's shares can damage the company.

This policy aims to reduce the risk of insider trading and of MNF Group directors and employees using information they acquire through their roles within the company to gain an improper advantage for themselves or anyone else. The policy aims to avoid the appearance of those things occurring.

Who has to comply with this policy?

This policy applies to all MNF Group directors and employees.

This policy also applies to any family company or family trust controlled by a director or employee, and to spouses of directors and employees.

Insider Trading Prohibited

Inside information is information which is not generally available to the public and which, if generally available, would be likely materially to affect the price or value of securities.

Examples of inside information are:

- information about financial results before they are announced publicly
- information about a takeover or acquisition which is not publicly available
- information about a major new customer or contract which is not publicly available
- information about a major claim or dispute which is not publicly available

The law prohibits a person from trading in securities when they have inside information about those securities. It also prohibits them from causing someone else to trade in those securities, and from communicating the inside information to another person whom they know (or should know) will trade or cause someone else to trade in the securities. These are known as insider trading.

A person or company who engages in insider trading commits a criminal offence punishable by jail and/or costly fines. They may also have civil liability and automatic disqualification from being a director or managing a company.

All directors and employees are prohibited from insider trading in MNF Group's securities. They are also prohibited from insider trading in the securities of any other company as a result of information acquired through their role with MNF Group.

Closed or Black-out Periods when no trading permitted

All directors and employees are prohibited from trading in MNF Group securities during the following closed or 'black-out' periods:

- from 1 January until the company half year results are published on the ASX
- from 1 July until the company full year results are published on the ASX

MNF Group may impose ad hoc restrictions on trading by all or some only directors and employees during other periods in addition to the fixed black-out periods above.

Trading outside those black-out periods may still be prohibited under insider trading laws if the person has inside information about the company.

Restrictions on Trading

As well as the prohibition on trading during the black-out periods in this policy, directors and employees are restricted from engaging in the kinds of trading described in this section at all times.

Short term trading and short selling

All directors and employees are prohibited from:

- short term trading in MNF Group securities - meaning trading in and out of MNF Group securities over a short period of 1 month (This doesn't apply if the person has just exercised an option to acquire shares, in which case they can sell within that period if all other requirements of the policy are satisfied.)
- short selling MNF Group securities

Hedging

All directors, senior executives and their closely related parties are prohibited from entering into transactions which limit their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

All directors and employees who are part of an equity based remuneration scheme are prohibited from entering into hedging transactions to limit their exposure in respect of any unvested entitlement to securities they receive under the scheme (such as share options).

All directors and employees must obtain prior clearance from the company on a case by case basis before entering into any transaction to hedge their exposure to MNF Group securities. This is because the market may interpret hedging as a lack of confidence in the company's long term prospects. Additionally, hedging may not be aligned with the interests of long-term investors.

Margin lending

All directors and employees must notify the company secretary if they enter into any margin lending or other secured financing arrangements in respect of MNF Group securities.

Trading that is not restricted by this policy

This policy does not restrict any of the following kinds of trading in MNF Group securities:

- disposal of securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back
- disposal of rights acquired under a pro rata issue
- acquisition of securities under a pro rata issue
- acquisition of securities under the dividend reinvestment plan
- a director obtaining a share qualification
- acquisition of securities under the company's employee share scheme
- indirect and incidental trading that occurs as a consequence of a director or employee dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold MNF Group securities as part of its portfolio
- an involuntary disposal of securities that results from a margin lender or financier exercising its rights under a margin lending arrangement.

This policy does not restrict any of the following kinds of trading in MNF Group securities so long as the director or employee first obtains prior written clearance in accordance with the procedures in this policy:

- transfers of securities between a director or employee and someone closely related to them (such as family member, family company or family trust or super fund)
- acquisition or disposal of securities under a pre-determined investment or divestment plan where:
  - the person did not enter into or amend the plan during a closed or black-out period;
  - the plan does not permit the person to exercise any discretion over how, when, or whether to acquire or dispose of securities; and
  - this policy does not allow for the cancellation of the plan during a closed or black-out period other than in exceptional circumstances.

Even though the trading in this section may be permitted by this policy, a person may still be prohibited from those kinds of trading in MNF Group securities if they have inside information at the time.

Exceptional circumstances when a person may be permitted to trade during prohibited period with prior written clearance

A director or employee may be given prior written clearance to deal in MNF Group securities during a black-out period under this policy if:

- the person is in severe financial hardship;
- the person has a pressing commitment that can only be satisfied by selling the relevant MNF Group securities (such as to meet a court order or court enforceable undertaking in a bona fide family settlement); or
- the Chair or CEO determines that there are exceptional circumstances that warrant granting the person clearance to trade.

Procedures for obtaining clearance

If this policy requires a director or employee to obtain clearance before trading in MNF Group securities, they must make a written request to the company (which may be by email) as follows:

- Directors make written request to the CEO, or if the director is the CEO, then to the Chair
- Employees make written request to the Company Secretary or CEO

In a written request for clearance, the person must certify that they are not in possession of any inside information that might preclude them from trading at that time.

The Chair, CEO or Company Secretary as requested above is authorised to determine whether or not to grant the person a clearance to trade and will advise their decision in writing. The Company Secretary will keep records of the clearance request and decision.

A trading clearance, if granted, will only apply for the period of 10 business days from the date clearance is granted, unless the permission specifies a different period. After that, a new clearance must be requested. A trading clearance only applies to the specific trading request.

The company may give or refuse a clearance to trade in its discretion and without giving any reasons. The company may withdraw a clearance to trade if new information comes to light or there is a change in circumstances.

The company's decision to refuse clearance is final and binding. If clearance to trade is refused, the person seeking the clearance must keep that information confidential and not disclose it to anyone.

If the company grants a clearance to trade (whether in exceptional circumstances or otherwise), the person must not trade if they have inside information, because they would still be breaching insider trading laws.

By giving a clearance to trade under this policy, the company does not endorse the proposed trade.

Responsibility for trading

Even where trading is permitted or the company has given clearance to trade under this policy, each person who is trading is individually responsible for their investment decisions and for complying with insider trading laws.

On each occasion before trading in MNF Group securities, a director or employee should consider carefully whether they have any inside information that might preclude them from trading at that time. If in doubt, they should not trade.

Monitoring and Enforcing Compliance

Senior executives must notify the Company Secretary within 10 business days after an acquisition or disposal of the company's securities. Directors must notify the Company Secretary within 3 business days from the time of the first parcel traded in any transaction, in order to allow the Company Secretary to lodge the appropriate ASX Appendix 3Y documentation.

If requested, directors and employees must periodically confirm in writing to the Company Secretary that they are aware of and understand this policy and are complying with it.

If requested, directors and employees must provide the HIN or SRN of their holdings and those of their spouses, family trusts, family companies and super funds, to the Company Secretary. The company may choose to arrange an alert service with the share registry for notification of any changes in those holdings.

Directors and employees must keep a register of their trading in MNF Group securities and if requested, provide the Company Secretary a copy of the register.

A breach of this policy will be regarded as a serious matter warranting investigation. A breach may lead to disciplinary action, up to and including dismissal. The company may also impose remedial action, such as requiring a person to donate to charity profits derived from a trade in breach of this policy.

If the situation involves a breach of the law, the matter may also be referred to the appropriate law enforcement agencies.

More information

Read also MNF Group Code of Conduct (PDF)

If you have any questions or would like further information, please contact the Company Secretary.