

ASX/Media Release

Vocus Announces Changes to Board of Directors

Wednesday, 12 October, 2016: Vocus Communications (ASX: VOC) (Vocus) today announces that Executive Director Mr James Spenceley and Non-Executive Director Mr Tony Grist have both resigned from the company's Board (the "Departing Directors").

The resignations follow a difference of opinion between the Departing Directors and the Board on the future leadership of the company.

Mr Grist had confidentially proposed to the Board an alternative leadership framework whereby the CEO would change in early 2017, and board leadership would be formally reviewed over the course of 2017. This proposal was supported by Mr Spenceley.

The remainder of the Board did not agree with the proposal put forward by Mr Grist, supported by Mr Spenceley, resulting in the company accepting the resignation of Mr Grist, and requesting and accepting the resignation of Mr Spenceley.

Vocus Chairman David Spence said: "At the time of the Vocus/M2 merger, shareholders were presented with a leadership team and strategy they fully supported, and which was only recently reinforced with the Nextgen acquisition and associated capital raisings.

"The Board is strongly of the view that Vocus is effectively governed and managed, as evidenced by the strong operational and integration results being achieved since the merger with M2, and the proposal would needlessly destabilise the company.

"While it is disappointing to see the Departing Directors leave the Board, these resignations are in the best interests of shareholders so we can now move forward with a fully cohesive Board and executive team that can, and will, provide the necessary unity and leadership required to steer the company through an important point in its history.

"The Board unanimously supports CEO Geoff Horth and his executive team and we believe they are best positioned to successfully integrate Vocus and its component parts, implement

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the company's broader strategy, and pursue the multiple growth opportunities we have before us.

"On behalf of the Vocus Board and executive team we extend our thanks and appreciation to Mr Grist and Mr Spenceley for their past significant contributions in helping to build the Amcom and Vocus businesses, and we wish them well in their future endeavors."

Speaking on behalf of Mr Grist and himself, Mr Spenceley said, "It has been an incredible journey for both of us in helping build what is considered to be one of the stand out stories in the telecoms sector in Australia.

"More importantly it has been an absolute privilege to have done this with the people who have been most responsible for Vocus' success which is the wonderful staff (former and current) who have been the true secret to that success."

"This is an opportune moment to also thank those who have supported the business so strongly along the way especially our customers and our shareholders," Mr Spenceley added.

The Vocus Board now includes Mr Vaughan Bowen (Executive Director), Mr Jon Brett (Non-Executive Director), Mr Craig Farrow (Non-Executive Deputy Chairman), Mrs Rhoda Phillippo (Non-Executive Director), Mr Michael Simmons (Non-Executive Director), and Mr David Spence (Non-Executive Chairman).

Mr Spence also confirmed the Board would soon be appointing an executive recruitment firm to undertake a search for replacement director candidates. This follows the recent appointment of an executive search firm to undertake the search for a new Chief Financial Officer.

In a period of significant transformation for Vocus in FY16 the business delivered strong organic growth across both the Corporate and Consumer divisions that has underpinned increasing returns for shareholders.

This robust operational performance has occurred at a time of ongoing focus on completing the integration of the Amcom business with the synergies target of \$13-15 million on track to be achieved by the end of FY17.

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The merger with the M2 business is also proceeding as planned with all integration milestones being met and the \$40 million synergy target on track to be delivered by the end of FY18. Further, the acquisition of Nextgen is expected to be completed this month and integration planning is on track.

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About Vocus

Vocus Communications Limited is a provider of a range of integrated telecommunications services including Fibre and Ethernet services, IP Voice, international transit and data centre services as well as retail electricity and gas. Vocus has an extensive portfolio of brands catering to residential, small business, corporate and government customers in both Australia and New Zealand.

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