

Kina Securities Limited (the **Company**)

Corporate Governance Statement

1	Lay solid foundations for management and oversight A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.		
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 board of directors of the Company (Board) has adopted a Board Charter on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market. The Board's roles and responsibilities, which are outlined in the Board Charter, include: • ensuring long term viability and sustainability of the Company; • protecting the interests of shareholders by exercising effective control over the Company; • providing strategic direction and leadership; • bringing independent and informed judgment to bear on material decisions of the Company; • setting the standards of behaviour and ethical values for the Company; • establishing strong internal control and compliance systems; • monitoring the effectiveness of the Company's overall risk management and control framework; and • accounting to shareholders for the overall performance of the Company. As outlined in the Board Charter, the Board will be responsible for, amongst other things: • approving the Company's strategy, business plans and policy; • establishing the risk envelope within which management will implement the strategic direction; • monitoring the implementation of strategic plans against pre-determined performance indicators; • identifying key risks and ensuring measures are taken to mitigate those risks; • ensuring compliance with all relevant laws, regulations and standards; • approving and monitoring the progress of material capital investment decisions, including new products and services; • appointing the Chief Executive Officer (CEO), setting remuneration and establishing performance objectives; • ensuring adequate succession planning for all key positions in the Company; • adopting a comprehensive suite of prudential and administrative policies and verifying independently that the prudential and administrative policies are operating effectively; and • ensuring that the annual accounts of the Company and other published reports and announcements are prepared according to the relevant standard, resolving that the accounts and other published reports and announcements (where relevant) accurately represent the financial position of the Company and approving the annual report, including the financial statements, dividend proposals and notices to shareholders for consideration at the Annual General Meeting.

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			The Board has the power to establish and delegate powers to committees that are formed to facilitate effective decision making. The Board, however, accepts full accountability for matters delegated by it to those committees. The Board has delegated the following specific authorities to the CEO: • selecting the senior management team; • setting the terms and conditions of employment within remuneration policy parameters; • evaluating the performance of management; • implementing the strategic direction established by the Board; • drafting the annual budget in consultation with the audit committee; • managing day to day operations on time and within budget; • maintaining effective internal risk controls; and • managing the daily operations of the business in accordance with social, ethical and environmental policies set by the Board. A copy of the Board Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
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 Board has established a nominations committee which operates under the Nominations Committee Charter. The Nominations Committee will assist the Board to regularly review the structure, size and composition of the Board and to make recommendations regarding any changes. In accordance with the Nominations Committee Charter, the Nominations Committee will identify and nominate candidates for the Board, evaluate and undertake appropriate checks on candidates for the Board (including checks concerning the person's character, qualifications and experience, education, criminal record, bankruptcy history and independence as a director) and provide that information, where material and relevant, to shareholders before recommending a candidate for appointment or re-election. A copy of the Nominations Committee Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	The Nominations Committee is responsible for ensuring that the Company enters into a written agreement with each new Board member and senior management team member which sets out the terms of their appointment.
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 company secretary is appointed by the Board in consultation with the CEO and is directly accountable to the Board through the chairman of the Board. The company secretary assists the chairman of the Board to co-ordinate the Board agenda, advises the Board on governance matters, monitors the Board's compliance with its policies and procedures and co-ordinates all Board business, including board papers, minutes, communication with regulatory bodies and the Australian Securities Exchange (ASX), and all statutory and other filings.
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set	✓	The Board has adopted a Diversity Policy which recognises that people are the Company's most important asset and the Company is committed to the maintenance and promotion of workplace diversity. In accordance with this Policy, the Board will set measurable objectives with a view to progressing towards diversity in the business. The Company's performance against these objectives will be reviewed annually by the

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	measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (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: (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 (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.		Nominations Committee. The Board intends to include in the Company's annual report or on its website each year a summary of the Company's progress towards achieving the measurable objectives set under the Policy and details of the measurable objectives for the next financial year. The Diversity Policy and the Nominations Committee Charter also provide that the Nominations Committee will annually review the gender composition of the Company as a whole. The Company will disclose in its annual report or on its website the gender composition of the workforce, including the Board and senior management team. A copy of the Diversity Policy is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	✓	In accordance with the Board Charter, the performance of the Board, its members and its committees will be assessed each year. The directors shall fill in an evaluation assessment form at the end of each financial year to assess the collective effectiveness of their respective committees and the Board. In addition, the chairman of the Board will individually appraise the directors. The performance of the chairman of the Board shall be assessed each year by the deputy chairman. The Board will disclose in the Company's annual report or on its website each year whether a performance evaluation of the Board, its committees and its directors was undertaken in accordance with the Company's process.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	✓	The Nominations Committee Charter states that the Committee will assist the chairman of the Board in its annual review of the CEO. The Committee will oversee the annual performance review of members of the Company's senior management team. The Company will also disclose each year in its annual report or on its website whether performance evaluations of the CEO and members of senior management were undertaken in accordance with the Company's process.

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2	Structure the board to add value A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	✓	As mentioned above, the Board has established a Nominations Committee. The Committee must comprise a minimum of three members, all of whom are non-executive directors and a majority of whom are independent directors. The Committee chairman must be an independent director, and may be the chairman of the Board. The current members of the Committee are disclosed on the Company's website. The number of Committee meetings and Committee members' attendance at those meetings will be disclosed each year in the Company's annual report or on its website. A copy of the Nominations Committee Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
2.2	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.	✓	The Nominations Committee will be responsible for reviewing and disclosing a Board skills matrix setting out the mix of skills and the diversity that the Board currently has or is looking to achieve in its membership.
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	✓	The Board presently consists of eight directors, five of which are considered by the Board to be independent, as that term is defined in the Principles and Recommendations. The independent directors are Sir Rabbie Namaliu, Donald Manoa, Hilary Wong, Wayne Golding and David Foster. Each independent director of the Board must inform the Board or the Nominations Committee of any change to their interests, positions, associations or relationships that could affect their independence. Any change in a director's status as an independent director is to be disclosed and explained to the market in a timely manner. The Board does not consider Syd Yates to be independent as he is the CEO of the Company. Peter Ng and James Yap are also not considered by the Board to be independent due to their association with the substantial shareholder of the Company. The Board considers that each of the directors brings objective and

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	explanation of why the board is of that opinion; and (c) the length of service of each director		independent judgement to Board deliberations and makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business. The status of the independence of each director, as well as their length of service, will be disclosed in the Company's annual report or on its website.
2.4	A majority of the board of a listed entity should be independent directors.	✓	As outlined above, five out of the present eight directors of the Company (being Sir Rabbie Namaliu, Donald Manoa, Hilary Wong, Wayne Golding and David Foster) are independent directors.
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.	✓	In accordance with the Board Charter, the chairman of the Board must be an independent director and cannot be the same person as the CEO. Sir Rabbie Namaliu is the chairman of the Board, and is an independent director. Sir Namaliu is not the CEO of the Company.
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 Board, in accordance with the Board Charter, will consider and approve training programs for directors on an annual basis. Each new director will receive an induction and/or orientation prior to their first Board meeting. After their initial induction, directors are expected to keep themselves updated on changes and trends in the financial sector, the Company and market environment, and any changes and trends in the economic, political, social, global, environmental and legal climate generally. The Board Charter also provides that all directors are required to devote a minimum of 20 hours per year to their ongoing professional development. This requirement may be met by attendance at recognised courses, seminars and conferences on governance. The Company will meet any travel and accommodation costs associated with professional development for directors from the Board governance budget.
3	Act ethically and responsibly A listed entity should 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.	✓	The Company has adopted a Code of Corporate Conduct which applies to all employees of the Company and its subsidiaries (including subcontractors and consultants) and a separate Code of Conduct for Directors. The Codes of Conduct set out certain minimum standards of conduct that the Company expects of its employees and directors including integrity, diligence, impartiality, equality and fairness. The Codes of Conduct set out how employees and directors are to conduct themselves in order to meet these minimum standards. Copies of the Code of Corporate Conduct and Code of Conduct for Directors are available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
4	Safeguard integrity in corporate reporting A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.		

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4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	✓	The Board has established an audit committee to assist the Board in discharging its responsibilities in connection with the quality and integrity of certain aspects of the Company, such as the quality and integrity of accounting, auditing, and financial reporting. The Audit Committee operates in accordance with the Audit Committee Charter. The Committee must comprise a minimum of three members, all of whom are non-executive directors and a majority of whom are independent directors. The Committee chairman must be an independent director who is not the chairman of the Board. The current members of the Committee, including their qualifications and experience, are disclosed on the Company's website. The number of Committee meetings and the Committee members' attendance at those meetings will be disclosed each year in the Company's annual report or on its website. A copy of the Audit Committee Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
4.2	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.	✓	The Board will hold special meetings to approve the Company's annual financial statements. The Company will, before it approves the Company's annual financial statements, obtain from the CEO or CFO a declaration that in their opinion, the financial records of the entity have been properly maintained, 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 Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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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.	✓	The Board has adopted a Shareholder Communications Policy in order to promote effective communication with shareholders and to ensure that shareholders have equal and timely access to material information concerning the Company. The Shareholder Communications Policy also implements an investor relations program and encourages effective shareholder participation at general meetings of the Company. This Policy provides that the Company's external auditor will attend the AGM and be available to answer questions about the conduct of the audit and the auditor's report. A copy of the Shareholder Communications Policy is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
5	Make timely and balanced disclosure A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1	A listed entity should:	✓	The Board has adopted a Continuous Disclosure Policy which implements the Company's commitment to providing timely, complete and accurate disclosure of information to allow a fair and well-informed market in its securities. The Continuous Disclosure Policy includes the suggested content for such a policy and includes a description of the roles and responsibilities of officers and employees in complying with the Company's continuous disclosure obligations, obligations regarding confidentiality, conduct concerning analyst / investor meetings and media, and processes for responding to or avoiding false markets. A copy of the Continuous Disclosure Policy is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
6	Respect the rights of security holders A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	✓	The Shareholder Communications Policy provides that the Company's website will include information about the Company's directors, the constitution, Board and Committee charters and other policies that are likely to be of interest to shareholders and other stakeholders. Copies of the following documents are available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link: • Board Charter; • Audit Committee Charter; • Risk Committee Charter; • Remuneration Committee Charter; • Nominations Committee Charter; • Constitution; • Diversity Policy; • Continuous Disclosure Policy; • Securities Trading Policy; • Shareholder Communications Policy; • Code of Corporate Conduct; and • Code of Conduct for Directors.

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6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	The Company has implemented an investor relations program which includes a number of scheduled and ad hoc interactions with institutional investors, private investors, sell-side and buy-side analysts and the financial media. At a minimum, so as to ensure that shareholders and other stakeholders have a full understanding of the Company's performance and strategies, the Company will convene analyst briefings twice a year on the financial performance and objectives of the Company.
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.	✓	In accordance with the Shareholder Communications Policy, shareholders are encouraged to attend general meetings, or, if they are unable to attend, vote by proxy or other means included in the notice of general meeting.
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.	✓	In accordance with the Shareholder Communications Policy, shareholders may receive Company information electronically.
7	Recognise and manage risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	✓	The Board has established a risk committee to assist the Board by formulating the Company's statement for risk appetite / tolerance and reviewing the effectiveness of the Company's risk management framework. The Committee operates under the Risk Committee Charter. In accordance with the Risk Committee Charter, the Committee must comprise a minimum of three members, all of whom are non-executive directors and a majority of whom are independent directors. The Board shall appoint an independent Committee chairman. The current members of the Committee are disclosed on the Company's website. The number of Committee meetings and the Committee members' attendance at those meetings will be disclosed each year in the Company's annual report or on its website. A copy of the Risk Committee Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.

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7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	✓	The Risk Committee will undertake a review of the Company's risk management framework at least annually and disclose whether a review took place in the Company's annual report or on the Company's website.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	✓	The Audit Committee will assist the Board with reviewing the scope and results of internal audit reviews and assessing the effectiveness of the Company's internal audit functions. Among other functions, the Audit Committee will undertake an independent review of the Group's half and full year statutory financial reports and consider whether they are consistent with information known to the Committee members and reflect appropriate accounting principles, standards and regulations. The Committee will also oversee and monitor the resolution of significant internal control deficiencies reported by the Company's internal auditor and the external auditor, and recommend to the Board a course of action where delegated authorities have been exceeded.
7.4	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.	✓	The Company will disclose in its annual report whether it has any material exposure to economic, environmental and social sustainability risks and how it manages or intends to manage those risks.
8	Remunerate fairly and responsibly A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		

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8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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..	✓	The Board has established a remuneration committee to assist the Board in establishing remuneration policies and practices, and to review and make recommendations to the Board regarding the remuneration of the CEO, senior management and directors. The Remuneration Committee operates under the Remuneration Committee Charter. The Remuneration Committee must comprise a minimum of three members, all of whom are non-executive directors and a majority of whom are independent directors. The chairman of the Remuneration Committee must be an independent director. The current members of the committee are disclosed on the Company's website. The number of committee meetings and committee members' attendance at those meeting will be disclosed each year in the Company's annual report or on its website. A copy of the Remuneration Committee Charter is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
8.2	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.	✓	The Remuneration Committee will establish and review the remuneration policies and practices of the Company and its subsidiaries. These practices are disclosed in the Remuneration Committee Charter, which is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	✓	The Board has adopted a Securities Trading Policy which applies to the Company's equity-based remuneration scheme and explains the conduct that is prohibited under the Papua New Guinea Securities Act and the Australian Corporations Act. The Policy establishes best practice procedures for complying with these Acts and for the buying and selling of securities which protects the Company's directors and personnel against the misuse of unpublished information which could have a material impact on the value of securities. This Policy prohibits any relevant person from entering into a hedge transaction involving unvested equity held pursuant to an employee, executive or director equity plan operated by the Company. A copy of the Securities Trading Policy is available on the Company's website (www.kina.com.pg) via the "Corporate Governance" link.