



Code of Ethics and Business Conduct

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1. Introduction

“Group” or “Kina Bank” refer to all operations, branches, subsidiary companies and joint ventures where Kina Securities Limited holds the controlling interest.

Kina Bank plays an increasingly important role in the country’s commercial and financial sectors. Through supporting its clients to grow and prosper in their chosen sphere Kina Bank also plays a vital role in the wider economy and PNG society. The Board of Directors (Board) recognises that the way in which Kina Bank’s directors, executive management and employees conducts business impacts the dreams, hopes and aspirations of all those entities and individuals who place their trust and confidence in Kina Bank. The Board therefore wishes to set out its expectations for all individuals who are employed by or on behalf of Kina Bank from the Chairman of the Board to the Chief Executive Officer (CEO) to the most junior member of staff and to that objective it has promulgated this Code of Ethics and Business Conduct (Code).

This Code serves as a guide for Kina Bank’s business which is to be conducted honestly and fairly and for its directors and employees to demonstrate integrity and competence to the highest expected standard in their professional conduct. The Board also expects that Kina Bank’s business will be conducted in conformity with all applicable laws and regulations of the jurisdictions that Kina Bank operates and with internationally accepted best practice business standards and codes.

1.1 Application

This Code applies to all the directors of the Board, all employees and all individuals or entities who may represent the Kina Bank from time to time.

Compliance with the Code shall be read in conjunction with other related Policies of Kina Bank. The Code may be reviewed and approved by the Board from time to time as and when required by changes in the regulatory environment and internationally accepted business standard practices.

The directors and all employees are required to familiarize themselves with the requirements of this Code and to acknowledge that they have read and understood this Code.

2. Business Conduct

2.1 Fair Dealing

The Board expects the Kina Bank's operations and its relationships with its customers, contractors and other stakeholder to be conducted in a manner that is consistent with the principles of honesty, integrity and fairness.

2.2 Shareholders and Other Stakeholders

The Board acknowledges that its first responsibility is to Kina Bank's Shareholders. The Board expects that all business operations will be undertaken with a view to increasing shareholder value while recognising the interests and rights of Kina Bank's customers and other stakeholders.

The Board recognises the benefits of fair, accurate, timely, balanced and easily understood public disclosures and expects directors and executive management to keep shareholders informed as to the Group's true financial position and performance through the Board approved reporting channels.

2.3 Political Involvement

The Board expects all directors and employees to maintain the appropriate degree of separation between elected members of Government and the Group. Where directors and employees wish to advocate the interests of the Group in general or to make submissions on particular aspects of public policy to Government, the Board expects such advocacy and submissions to be undertaken in a transparent and honest manner.

The directors and employees are free to participate in political parties or social movements as private individuals on the basis that their participation is recorded in the Conflict of Interest Register and that, that Kina Bank's assets are not used during the course of participating in the political activities.

2.4 Competition

Kina Bank supports the principles of free and fair competition in the market and in compliance with all applicable competition and consumer protection laws. The Board expects that all operations of the Group irrespective of whether it is a buyer or seller will be conducted on the basis of open competition where Kina Bank and its customers and contractors and suppliers are free to make their own decisions on all aspects of value for money including price, quality, timeliness, reliability and durability.

2.5 Privacy and Protection of Private Information

The Board expects the laws in relation to privacy and the use of confidential or price sensitive information to be conscientiously observed by the Group. Where appropriate the Group will put in place measures to keep private information secure and will monitor the operation of these security measures through the Risk Management Framework and the various related governance instruments of the Group.

2.6 Conflicts of Interest

The Board expects all business decisions to be made in the best interests of the Kina Bank as a whole and not in the self-interest of any director or employee of the Group. The Board has established and promulgated a comprehensive policy on avoidance of conflicts of interest.

The *Conflict of Interest Policy* requires all directors, members of the senior management team and certain employees to declare and record their interests in a register, to regularly refresh their declarations of interest, to advise the Chairman (in the case of a director) or CEO (in the case of any employee) of an actual conflict of interest and to stand aside from all involvement in the matter until others with no conflict have resolved the matter. Actual conflicts and the manner in which they were addressed must be recorded in either the minutes of the Board or through an appropriate management record.

2.7 Whistleblowing

Kina Bank is committed to fostering a safe environment where legitimate concerns about illegal or unethical behaviour which involves a director or an employee of the Group can be reported without fear of reprisal. The Board has established a separate *Protected Disclosure (Whistle-blower) Policy* which provides that any director or employee may make legitimate disclosures to the Chair of the Audit and Risk Committee or other designated persons or authorities mentioned in the policy.

The *Protected Disclosure (Whistle-blower) Policy* requires the designated persons or authorities to keep the fact that an allegation has been reported to them in-confidence, authorises them to enquire into any reported allegation to the extent they consider necessary and for the person making a protected disclosure (if the identity of the person is known) to furnish all necessary information and answer any question that may support the credibility of the disclosures or concerns raised.

2.8 Discrimination

Kina Bank recognises the right of every employee to a working environment where their dignity is respected and their personal contribution to Kina Bank is valued and appreciated.

Kina Bank expects every workplace to be free of harassment, bullying, verbal or physical abuse and corporal punishment.

All decisions on hiring, salary, benefits, advancement, termination or retirement must be based solely on merit i.e. demonstrated ability to do the job. There must be no discrimination based on race, creed, gender, marital or maternity status, religious or political beliefs, age or sexual orientation.

2.9 Child Labour

Kina Bank recognises the right of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with a child's education, or to be harmful to a child's health or physical, mental, spiritual, moral or social development. Kina Bank will not employ any person below the age of eighteen (18) as a Full-Time Employee (FTE).

Kina Bank acknowledges that a person is still a child until the age of eighteen (18) and where persons under the age of eighteen (18) undertake roles as interns, trainees or student attachments for career exposure and development, special provisions will apply with respect to working hours, any physical activity and responsibilities for the internship, training or work attachment etc.

2.10 Health and Safety

Kina Bank is committed to ensuring a safe working environment is provided for all employees. Kina Bank requires all workplaces to have a Health and Safety Committee comprising of representatives from the management and staff to regularly inspect the workplace for hazards and to put in place hazard elimination

or minimisation plans. All accidents in the workplace that result in injury or lost time are to be investigated and remedial measures put in place to avoid repetition.

Kina Bank is also committed to ensuring the services and products it offers to customers are fit for purpose, of a high quality, meet legislative and international standards and requirements and are safe for all who use them.

2.11 Environment

Kina Bank acknowledges the increasing importance society places on a healthy functioning natural environment.

Kina Bank will conduct its operations so as to minimise its impact on the environment, to use renewable resources in preference to finite resources and to take measures to reduce the flow of waste into the environment.

2.12 Community

Kina Bank will strive to be a trusted corporate citizen and to operate in a manner which encourages a lasting, beneficial and interactive relationship with the communities in which it operates.

2.13 Contractors

The Board expects Kina Bank to require all its contractors, their sub-contractors, principal suppliers and licensees (each referred to as a Contractor) to observe the principles and standards set out in this Code when providing services to the Group or for any products developed by the Group.

Should Kina Bank find that a Contractor that does not comply with this Code, it will insist on corrective measures being taken or will terminate its business relationship with that Contractor.

3. Directors' Conduct

3.1 Care, Skill and Diligence

The Board expects directors to demonstrate the highest standards of care, skill and diligence when performing the functions of the office of director and exercising the powers of a director. Preparation for meetings, commitment to reading the Board papers and contributing to the Board debate are crucial.

3.2 Honesty and Good Faith

A director must act honestly, in good faith, and in the best interests of the Group as a whole when performing the functions of the office of a director.

3.3 Proper Purpose

A director must use the powers of office only for purposes consistent with and intended to give effect to the legitimate corporate objectives, goals and values of Kina Bank.

3.4 Primary Responsibility

A director's primary responsibility is to Kina Bank but a director should also have appropriate regard to the interests of the customers, employees and contractors.

3.5 Misuse of Information

A director must not use information acquired in the course of his or her duties as a director to gain an improper advantage for the director or for someone else associated with the director or to cause detriment to the Group.

3.6 Misuse of Position

A director must not misuse his or her position as a director to gain an improper advantage for the director or for someone else associated with the director or to cause detriment to the Group.

3.7 Conflicts of Interest

A director must not give preference to personal interests, or to the interests of any associate or other person, where to do so would be in conflict with the best interests of the Group.

3.8 Disclosure of Interests

A director must disclose to all other directors in accordance with the *Conflict of Interest Policy* any personal interest or interest of an associate that could give rise to an actual or perceived conflict in relation to the conduct of Kina Bank's affairs.

3.9 Consequential Benefit

A director has a duty to advise Kina Bank of any unrelated business opportunities that the director became aware of solely as a result of his or her being a director of Kina Bank and subsequently exploited for their personal benefit or the benefit of an associated person.

3.10 Use of Company Assets

A director must use Kina Bank's assets including physical, intellectual, and electronic or digital properties for the direct and sole benefit of the company.

3.11 Confidentiality

Confidential information received by a director in the course of his or her duties remains the property of Kina Bank and must not be disclosed to any other person without the prior written consent of the Chairman of the Board unless the disclosure is required by law.

3.12 Business Decisions

When making a business decision, a director must make the decision in good faith and in the best interests of Kina Bank. Directors must diligently inform themselves about the subject matter of the decision, prudently weigh the risks relative to the rewards and arrive at the decision by a process of rational analysis and not arbitrary choice.

3.13 Reliance on Information

Directors may rely on information or advice from Board Committees, officers and competent experts and advisers provided they do so in good faith and make reasonable independent inquiry to ensure the information or advice has a sound basis.

3.14 Delegation

When delegating a director's powers to an executive of the Group, a director must enquire as to the delegate's reliability and competency and must reasonably believe in good faith that the delegate will act in conformity with the director's duties and Kina Bank's company Constitution. The fact that a director's powers have been delegated does not relieve the director of responsibility for the exercise of those powers.

3.15 Legal

Directors must take all reasonable steps to ensure that the Board's decisions are in conformity with the law and that appropriate measures are in place to ensure that Kina Bank implements decisions of the Board in such ways that Kina Bank is in compliance with all applicable laws and regulations.

3.16 Reputational Risk

A director should not engage in any conduct in their personal or private life that it is likely to have an adverse effect on the reputation of the Group.

3.17 Compliance with this Code, the Law and Applicable Kina Bank Policies and Procedures

Directors are subject to diverse legal responsibilities and should be familiar with their duties and responsibilities under relevant laws and regulations applicable to them. Accordingly, directors must not take any action, or fail to take any action, that may breach these laws or any of Kina Bank's applicable policies, procedures or practices.

Directors must complete all induction and education programs required of them by the Board to build and maintain their awareness and understanding of relevant laws, policies, procedures and practices from time to time.

4. Employee's Conduct

4.1 General

- (a) Kina Bank is committed to ensuring that its employees meet or exceed the minimum standards of conduct, which includes:
- (i) Integrity;
 - (ii) Diligence;
 - (iii) Impartiality;
 - (iv) Fairness;
 - (v) Dignity;
 - (vi) Loyalty;
 - (vii) Equality; and
 - (viii) Diversity.
- (b) All employees must commit to their work with a high degree of dedication, enthusiasm and professionalism. Kina Bank expects an employee to:
- (i) discharge their duties and responsibilities in an ethical and professional manner to the best of their knowledge, skills and abilities in order to meet the time, quality and productivity standards of work;
 - (ii) engage faithfully only in activities that are consistent with their official responsibilities and which do not damage the business interests of Kina Bank;
 - (iii) utilize time, supplies, equipment ,office facilities and other company assets with due caution solely for the benefit of Kina Bank;
 - (iv) behave in a reasonable manner at all times with integrity and courtesy to upkeep Kina Bank's public image as a respectable high performance organization; and
 - (v) Cooperate with fellow employees and work as a team for Kina Bank's benefit.

4.2 Personal Conduct

Kina Bank employees must maintain a high standard of conduct and work performance to ensure the company maintains its good reputation with its customers, contractors and suppliers and other stakeholders.

4.3 Respect for People

An Employee:

- a) must maintain good working relations with courtesy and mutual respect; and
- b) must treat colleagues, customers, and all other persons who come into contact with the employee with utmost respect, courtesy, tact and decency.

4.4 Relationships of Trust

Employees must maintain trust in their professional relationships with customers, other persons or stakeholders who work or do business with Kina Bank. Trust is earned by acting with integrity, fairness, tact and prudence in all business activities and in all circumstances.

4.5 Service to Customers

Employees must provide the best possible service to customers diligently. Employees should listen, anticipate customer needs, solve problems, respond in a timely and professional manner and make it easy and pleasant for customers to do business with Kina Bank.

Employees should aim for continuous improvement and innovation in our products, services, and systems.

4.6 Simplicity in Everything

Simplicity means eliminating all that is wasteful, complicated, or unnecessary, and keeping paperwork to the minimum.

Employees must aim for simplicity in everything they do. These include Kina Bank's products and services, policies and procedures

4.7 Culture of Responsibility and Honesty

- a) Employees must take ownership of duties allocated to their position and deliver on the activities associated with these duties ;
- b) Employees must accept full responsibility for their own performance as well as the performance of their teams.
- c) Employees should set challenging objectives and endeavour to achieve them;
- d) Employees should look out for potential opportunities and problems and take prompt action to deal with them; and
- e) Honesty and trust are essential elements of responsibility.

4.8 Communication and Cooperation

Employees must always stay directly "connected" with their colleagues and customers, and maintain the best possible communication and cooperation with them. Most effective communication is face-to-face.

4.9 Harassment at Work Place

Employees:

- a) must actively discourage any behaviour that may be deemed as harassment, including verbal, nonverbal, written or physical abuse;
- b) must avoid offensive, threatening or disturbing behaviour towards other employees customers and other persons at the workplace or in any interaction or situation that is linked to official activity outside the office would also be termed as harassment.
- c) must not \ engage in acts of sexual harassment, and report such activities if they become aware of it;

- d) must not engage in acts of sexual exploitation and abuse and report such activities if they become aware of it; and
- e) must refrain from engaging in gossip at the workplace or in any situation that may affect working relationships and their performance.

4.10 Conflict of Interest

Conflict of interest arises whenever the personal or private, professional or business interests of an employee could or are seen to, improperly affect the impartiality of business judgment of an employee with the best interests of Kina Bank.

All employees are required to act in good faith for Kina Bank and in compliance with Kina Bank's *Conflict of Interest Policy*. Employees should be aware of potential circumstances that may result in a conflict of interest and should always act in Kina's best interests. Where an employee is in doubt if a conflict exists, the employee should consult their immediate manager or the People and Culture Business Function.

Failure to declare a potential, actual or perceived conflict of interest or to take remedial action as agreed with Kina Bank in a timely manner may result in disciplinary actions being taken against the employee.

4.11 Duty to Report

Employees who reasonably suspect illegal activities, grave misconduct, and/or violations of Kina Bank's , policies, standards or guidelines, including but not limited to this Code, must, without delay, bring the relevant facts to the attention of the immediate manager or to the People and Culture Function or under the *Protected Disclosure (Whistle Blower) Policy*.

Kina Bank will ensure confidential treatment for and refrain from discriminatory or disciplinary action against the employee who make bona fide reports on the alleged illegal activities, misconduct or violations. In so doing, Kina Bank will ensure that the employee who has made such a bona fide is protected as provided for under the *Protected Disclosure (Whistle Blower) Policy* and other related policies.

4.12 Insider Information

Employees must not trade in the stock or other securities of Kina Bank based on inside information. Insider information may include information that relates to clients of Kina Bank and can be in the form of advance knowledge about earnings, dividends, acquisitions, securities offerings and the like.

The prohibition of the types of conduct that could or potentially be seen as misuse of inside information is provided in detail under Kina Bank's *Securities Trading Policy*.

4.13 Smoking of Tobacco

Kina Bank promotes the importance of a healthy working environment and strictly prohibits employees from smoking in Kina Bank premises and vehicles.

4.14 Consumption of Alcohol and Illicit Substances

Consumption of alcohol and the use of illegal substance (drugs) are prohibited in Kina Bank's premises and vehicles. The taking of alcoholic drinks and drugs in any form is strictly prohibited.

Employees must not report for work whilst intoxicated.

4.14.1 Consumption of Betel Nut

Betel nut is considered a stimulant drug as such the consumption of betel nut is strictly prohibited during official working hours and, in Kina Bank's premises and vehicles.

4.15 Money Laundering and Terrorist Financing

Kina Bank is committed to complying with all applicable laws for preventing money laundering and terrorist financing, and to upholding international best practice standards acceptable in the financial industry. It is therefore every employee's responsibility to support Kina Bank's commitment in fighting against all forms of financial crimes including fraud, money laundering, bribery, corruption and terrorist financing.

All employees are therefore required to:

- a) be alert to and contribute to the fight against financial crimes;
- b) make sure adequate due diligence and controls are performed to know the customers and how they use Kina Bank's products and services.
- c) Make sure adequate due diligence and controls are performed in respect of known vendors and suppliers and whether they conduct their business dealings and relationships in a manner that complies with the requirements of this policy.
- d) be vigilant that customer transactions are not related to bribery or corruption. Any suspicious transactions must be reported to the Anti-Money Laundering and Counter Terrorist Financing Business Function within the Group Risk Business Unit, or as required under applicable policies and procedures.

4.16 Bribery and Corruption

Bribery and corruption activities are unacceptable and prohibited. Employees dealing with customers and business partners must act honestly at all times. Any business activity that involves bribery or corruption will not be considered as legitimate business.

All employees are required to adhere to Kina Bank's *Anti- Bribery and Anti- Corruption Policy* and related policies.

4.17 Gifts and Benefits

The Group recognises that there will be instances where employees may be offered benefits (gifts, hospitality and entertainment) and under certain circumstances it may be appropriate for employees to accept. However, employees are to avoid all situations in which the acceptance of any benefit could create an actual or apparent conflict of interest with their official duties.

Employees are not to solicit any personal and other benefits during their employment tenure with Kina Bank unless they are specifically authorised by Kina Bank (e.g. legitimate pursuit of donations or sponsorship in accordance with company policy).

Where an employee receives a gift under acceptable circumstances, the employee must register the gift on the Gifts Register. The registration of gifts and other offers is a requirement under Kina Bank's *Gifts and Entertainment Policy*.

If there is any doubt about the intention or integrity of the source making an offer, employees are expected to reject the offer or consult with their Business Unit Manager or the People and Culture Business Function.

Where the value of the offer exceeds the nominal value and refusal of hospitality or benefit may cause offence, the offer should be immediately brought to the attention of the CEO.

4.18 Political Activity

Any political activity by employees is to be conducted in a private capacity.

Employees are expected to clearly separate any official actions or views from possible political inference to ensure that no conflict of interest arises between such activity or comment and their official duties with Kina Bank.

Employees in all capacities are to refrain at all times from participating in any political or religious discussion or activity should this be apparent or deemed to be conducive to compromising Kina Bank's image and reputation.

4.19 Intellectual Property and Copyright

Intellectual Property includes but is not limited to all rights in respect of an invention, discovery, trade secret, secret process, know-how, concept, idea, information, process, data, formula, or work product.

Kina Bank has ownership of all Intellectual Property developed by an employee during the course of his or her employment and pursuant to the employee's terms and conditions of employment with Kina Bank.

4.20 Outside Employment and External Activities

Employees shall not engage in any other employment or hold directorship responsibilities without written approval from the Board and such employment must not:

- a) interfere with the effective performance of their duties within Kina Bank
- b) create or appear to create a conflict of interest; and
- c) reflect adversely on Kina Bank.

Employees on overseas assignment and consultants under fixed contracts for assignments with Kina Bank cannot undertake other work without prior approval of the Board or the Remuneration Committee.

Employees holding office as an advisor or as an officer of any institution, organisation or corporate entity that constitutes employment must seek approval from the Remuneration Committee prior to undertaking to holding such offices, based on recommendation from the CEO.

4.21 Voluntary or Community Base Work

Employees may engage in voluntary or community based work during their free time for a charitable, religious or educational association or for any other Non-Profit Organisation (NPO) or Non-Government Organisation (NGO).

Employees may also accept positions of responsibility on a non-remuneration basis, within such associations or organisations, as long as those positions remain compatible with their work at Kina Bank and with other provisions of this Code and other related Kina Bank Policies.

4.22 Access to Information

In the performance of company duties, employees are granted access to many sources of information, of which some are confidential. With this access comes a requisite level of accountability and trust that the information will only be used strictly for official purposes.

Employees may be given access to Kina Bank's confidential information, data, premises or other properties in the performance of their duties. These must be protected and used only in Kina Bank's interests.

Employees must not:

- a) disclose or use any part of any confidential information outside of the performance of their duties ;
- b) authorise or be involved in the improper use or disclosure of confidential information; and
- c) disclose confidential information during or after their employment without Kina Bank's prior written consent.

Kina Bank will not tolerate conducts by employees who unlawfully access or use of any official or confidential information without authorisation. Any employee that breaches this provision will be dealt with accordingly.

Employees need to be aware that this type of activity is viewed by Kina Bank as misconduct.

Where any employee breaches this provision, they must expect that Kina Bank and/or its customers or clients or affected third party may institute appropriate disciplinary or criminal proceedings against the employee.

4.23 Confidentiality

Employees are bound by the *Employee Confidentiality Agreement*. Under this Agreement, all employees are required to sign as evidence of their understanding of the requirement to comply with the terms of the Agreement.

Disciplinary actions will be taken against an employee if the employee is found to have breached the confidentiality obligations of the Agreement. Every employee is still bound by this obligation even after termination of their services with Kina Bank.

4.24 Non –Tolerance of Discrimination

The Code is intended to set the highest standard as regards to non-tolerance of discrimination. In particular, this applies to but is not limited to discrimination based on sex, race, colour, ethnic group or social origin, genetic features, language, religion or belief, political or any other opinion, age or sexual orientation and nationality.

All employees are expected to exercise impartiality and to respect diversity within the Group without any form of discrimination.

5. Risk Appetite

The Board recognises the importance of articulation of risk appetite as the key component of setting the strategic direction of the Group. The Board has established a separate Risk Appetite Statement (RAS) that outlines the level and nature of risk that the Board is prepared to accept in the pursuit of its strategic objectives and expects all officers and employees to comply with all statutory obligations and policy obligations including the risk appetite and risk management framework of Kina Bank.

The Board will not tolerate unacceptable personal behaviours that do not accord with the organisation's core values and code of conduct. The Board further recognizes that any response or action taken in relation to the conduct will depend on the severity of the conduct.

6. Breaches of this Code

6.1 By Directors

Any breaches of this Code should be reported to the Chairman of the Board or the Chairman of Audit and Risk Committee. Suspected violations will be investigated by or at the direction of the Board and appropriate action will be taken in the event that a violation is confirmed.

6.2 By Employees

- a) Kina Bank takes seriously any instances where this Code is breached. Breaches of this Code will be considered as misconduct or gross misconduct dependent on the severity of the breach and may attract one or more of the penalties set out in the relevant employment agreement and the Human Resource Policy, including termination of employment;
- b) Kina Bank will determine by reference to the circumstances of each case how to respond to a breach or alleged breach of this Code. Kina Bank's response may include disciplinary action up to and including termination of employment and, in appropriate cases, referral to the police; and
- c) Kina Bank will consider dismissal without notice in cases involving serious misconduct. Serious misconduct includes wilful or deliberate conduct that would be inconsistent with continuation of your employment, or conduct that would cause serious and imminent risk to health or safety, or to the reputation of the Group.

6.3 Protection

Employees who report in good faith under this policy their suspicion that an actual or potential breach of this Code has taken place or may take place in the future will be protected from detrimental treatment or retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

Signed Acknowledgement of the Code

Acknowledgement of the Code

All Directors and employees must be given a copy of this Code and sign of acknowledgment that they understand their commitment to the expectations of the Code and the actions that maybe taken for breaches of any of the provisions of the Code.

Attestation

I acknowledge receipt of the Code of Ethics and Business Conduct. I have read it and understand it and have acted and will at all times act in accordance with the Code while being a Director of Kina Bank or as an employee of Kina Bank.

Name (print)

Signature

Date