



Code of Corporate Conduct

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Document Control

Document Information

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Document Approval

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1. Introduction

The Kina group of companies (**Kina**) 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 also plays a vital role in the wider economy and PNG society. The Board of Kina recognises that the way in which the group conducts its business affects the dreams, hopes and aspirations of all those companies and individuals who place their trust and confidence in Kina. The Board therefore wishes to set out its expectations of **all** who work for or on behalf of Kina – from the Chairman of the Board to the CEO to the most junior member of staff and to that objective it has promulgated this Code.

1.1 Statement of First Principle – Compliance with the Law

The Board expects the business of the group will be conducted within both the letter and the spirit of the laws and regulations of PNG and its provinces. The Board also expects that the group's business will be conducted in accordance with internationally accepted business standards, practices and procedures.

1.2 Fair Dealing

The Board expects the group's operations and its relationships with its customers and suppliers will be conducted in a manner consistent with the basic principles of honesty, integrity and fairness.

1.3 Shareholders and other Stakeholders

The Board acknowledges that its first responsibility is to Kina's shareholders. The Board expects that all operations of the group will be undertaken with a view to increasing shareholder value while recognising the interests and rights of other stakeholders. The Board recognises the benefits of fair, accurate, timely, balanced and easily understood public disclosures and expects directors and management to keep shareholders informed as to the group's true financial position and performance through the Board approved reporting channels.

1.4 Political Involvement

The Board expects all officers and employees of the group to maintain the appropriate degree of separation between elected members of Government and the group. Where officers and employees of the group 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 will be undertaken in a transparent and open manner. Members of the Board, management and employees of Kina are free to participate in political parties or social movements in their private lives on the basis that their participation is recorded in the relevant register of interests, that no assets or facilities of the group are used in the course of participating in party political activities and that there is no explicit or implicit suggestion that participation is endorsed or supported by Kina.

1.5 Competition

Kina supports the principles of free and fair competition in the market 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 and its customers and suppliers are free to make their own decisions on all aspects of value for money including price, quality, timeliness, reliability and durability.

1.6 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 Kina. 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.

1.7 Conflicts of Interest

The Board expects all decisions of Kina to be made in the interests of the group as a whole and not in the narrow 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.

In summary the Conflict of Interest Policy requires all directors, members of the senior management team and certain other 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 an appropriate management file note.

1.8 Whistleblowing

Kina is committed to fostering a safe environment where legitimate concerns about illegal or unethical behaviour which involve an officer or 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 report a legitimate concern to the Chair of the Audit & Risk Committee in the first instance and where the disclosure relates to the Chair or the Chairman of the Board or a senior staff or officer, the disclosure may be made directly to BPNG. The Policy requires the nominated Protected Disclosure officers to keep the fact that an allegation has been reported to them confidential, authorises them to enquire into any allegation reported to them to the extent they consider necessary and requires every other officer and employee of the group to furnish all information and answer every question the Protected Disclosure officer requires.

1.9 Discrimination

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

1.10 Child Labour

The Board 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 must not employ any person below the age of 15 to work in its workplaces. The Board acknowledges that a person is still a child until the age of 18 and expects that for employees between the ages of 15 and 18 special provisions will apply with respect to working hours, limits on the lifting of weight, etc.

1.11 Health and Safety

The Board is committed to ensuring that Kina provides a safe working environment for all its officers and employees. The Board requires all workplaces to have health and safety committees comprised of representatives from 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 measures put in place to avoid repetition.

The Board is also committed to ensuring the services and products Kina markets to clients are fit for purpose, of a high quality and safe for all who use them.

1.12 Environment

The Board acknowledges the increasing importance society places on a healthy functioning natural environment. The Board expects the group will conduct its operations so as to minimise its impact on the environment, to use renewable resources in preference to finite resources, to take measures to reduce the flow of waste into the environment

1.13 Community

Kina 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.

1.14 Contractors

The Board expects Kina to require all its contractors, their sub-contractors, principal suppliers and licensees (each a **Contractor**) to observe the principles and standards set out in this Code when providing services to the group or on selling products developed by the group.

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

1.15 Risk Appetite

The Board recognises the importance of articulation of risk appetite as the key component of setting the strategic direction of Kina. 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 employee to comply with all statutory obligations and policy obligations including the risk appetite and risk management framework of Kina.

The RAS comprises three main sections, the core principles that applies across the Kina group, the guiding parameters which encapsulates the Board's risk appetite and the specific group level risk appetite measures which are qualitative and quantitative in nature and include measures where there is no tolerance to accept risk. The overall risk appetite of Kina group can best be described as Moderate.

1.16 Compliance

Each company within the group and each Contractor must maintain all the documentation necessary to demonstrate compliance with this Code of Conduct and any relevant local laws, and agree to make these documents available for monitoring purposes.

1.17 Sanction for Breaches

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 or directors letter of appointment, including termination.

2. Agreement

By signature below I acknowledge I have read and understood this Code of Corporate Conduct and the sanctions for breaching the policy. I agree to respect it and conform to its requirements.

Director Date Signature