

Corporate Governance Statement

Introduction

Kina Securities Limited and its related entities (**Kina**, or the **Kina Group**, or the **Group**, or the **Company**) places great emphasis on the continued development of a strong corporate governance, risk management and compliance culture. In an emerging market place, Kina seeks to be innovative as well as provide a safe and secure environment for its customers and clients, which in turn brings value to shareholders.

The Board of Directors of Kina Securities Limited (the **Board**) is responsible for the overall corporate governance of the Kina Group, including adopting appropriate policies and procedures designed to ensure that Kina is properly managed to protect and enhance shareholder interests.

The Board monitors the operational and financial position and performance of Kina and oversees its business strategy, including approving the Company's strategic goals and considering and approving business plans, key governance and operational policies and the annual budget.

Kina has a well-developed corporate governance framework and practices for the operation and management of Kina, which incorporates resilient internal controls, risk management processes and governance policies and practices. The Board monitors adherence to this framework which enables the Group to comply with relevant laws, regulations and standards set down by the Bank of Papua New Guinea (**BPNG**), the Australian Securities Exchange (**ASX**), the PNGX Markets Ltd (**PNGX**), the *PNG Companies Act 1997* (**PNG Act**), *PNG Securities Act* and the *Australian Corporations Act 2011* (Cth) (**Corporations Act**).

This Corporate Governance Statement (**Statement**) sets out the core of Kina's current corporate governance framework and practices by reference to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd Edition)* (**Recommendations**). The Statement is current as at 17 April 2020 and has been approved by the Board.

The Board considers and applies the Recommendations, taking into account the circumstances of Kina. Where Kina's practices depart from a Recommendation, this Statement identifies the area of divergence and reasons for it, or any alternative practices adopted by Kina.

Governance framework

The core of Kina's corporate governance framework is the Company's Constitution and the Charters and Policies (**Governance Documents**) listed in the following column, which are referenced in this Statement.

The Governance Documents are reviewed regularly to ensure they comply with any updated laws or regulations, that they meet high governance standards and that they remain relevant to the Company and its operations.

1. Constitution ²
2. Corporate Governance Statement and Appendix 4G ^{1,2}
3. Charters:
 - Audit and Risk Committee ^{1,2}
 - Board ^{1,2}
 - Credit Committee (August 2018)
 - Disclosure Committee (December 2017) ²
 - Executive Committee ¹
 - Internal Audit (February 2018)
 - Remuneration and Nomination Committee ^{1,2}
4. Policies:
 - Anti-Bribery and Anti-Corruption Policy ¹
 - Anti-Money Laundering/Counter-Terrorism Financing Framework and Policy ¹
 - Board Renewal Policy ¹
 - Code of Ethics and Business Conduct ^{1,2}
 - Compliance Policy ¹
 - Conflict of Interest Policy ^{1,2}
 - Continuous Disclosure Policy ^{1,2}
 - Credit Policy Framework (August 2018)
 - Credit Risk Management Framework (August 2018)
 - Directors' Fees and Expenses Policy ¹
 - Diversity Policy ^{1,2}
 - Gifts and Entertainment Policy ¹
 - Kina Bank Asset and Liability Committee Charter (October 2018)
 - Kina Bank Credit Policy (August 2018)
 - Operational Health, Safety and Wellbeing Policy ¹
 - Protected Disclosure (Whistleblower Policy) ¹
 - Remuneration Policy ¹
 - Risk Appetite Statement - Kina Bank (October 2018)
 - Securities Trading Policy ^{1,2}
 - Shareholder Communications Policy (October 2016) ²

1 These Governance Documents were updated during 2019

2 These Governance Documents are available on Kina's website at: <http://investors.kina.com.pg/investors/?page=corporategovernance>

Board of Directors

The Role of the Board

The Board is committed to maximising performance, generating shareholder value and financial returns, and sustaining the growth and success of Kina. In conducting Kina's business in accordance with these objectives, the Board seeks to ensure that Kina is properly managed to protect and enhance shareholder interests, and that Kina, its Directors, Officers and Employees operate in a well governed environment.



The Board has adopted a *Board Charter*. The Board Charter sets out, amongst other things, the:

- role and responsibilities of the Board, including those matters specifically reserved to the Board;
- role and responsibilities of the Chief Executive Officer (CEO), which is primarily the day to day management of Kina;
- procedures for management of potential and actual conflicts of interest; and
- guidance on Board performance evaluation, ethical standards and taking independent professional advice.

Director Appointment

As is required by BPNG’s Prudential Standards (**Standards**), Kina undertakes ‘Fit and Proper’ testing for candidates who will hold ‘Responsible Person’ positions on initial appointment, which includes Directors and the Senior Executive Team.

This rigorous testing, in accordance with the Standards, is also carried out on an annual basis for all Responsible Persons including thorough background checks. When Directors are proposed for election, or re-election at General Meetings of shareholders, the Notice of Meeting provides material and relevant information to enable shareholders to make an informed decision as to whether or not to elect or re-elect the candidate.

Kina has entered into a written agreement with each Director and Senior Executive Team member that sets out, amongst other items, the terms of their appointment and their roles and responsibilities.

Board Composition

Kina has developed a succession plan that ensures the Board has the appropriate mix of skills, experience, and knowledge.

To assist in identifying areas of focus and maintaining an appropriate mix of skills and experience, the Board uses a self-assessment questionnaire to measure skills and experience of each Director. The Board has identified 9 specific skills and experience which Directors measure themselves against. The questionnaire is crafted to ensure that those skills and experience required in order to achieve the current strategic objectives, are present on the Board. Where they are not, the Board seeks to supplement any gaps through Director training or recruitment. Where requirements are for a finite period, for example, during a specific project, the Board will seek to utilise expertise of existing personnel or engage consultants.

Kina’s Board presents specific strengths in regard to strategy development and operational implementation of strategy. Along with comprehensive experience in financial services, the Directors’ knowledge and experience within risk management, regulatory compliance and governance are particularly relevant for the current stage of Kina’s growth and development. Further, the Directors recognise the need to ensure there is appropriate experience and knowledge of PNG and, currently, this is an area that the Board is seeking to further develop.

The Board has also focused its attention to the Group’s diversity and culture, particularly in light of the Company’s acquisition of ANZ’s Retail, SME and Commercial businesses in PNG (**ANZ Acquisition**) which was completed by the end of September 2019.

Board skills matrix

The Board seeks to have an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and add value to the Company.

As at 17 April 2020, the Directors collectively contribute the following key skills and experience:

Skills and experience	Explanation	Extent these are present amongst Directors
Banking and/or financial services experience	Experience outside Kina in significant components of the financial services industry, including banking and equity and debt capital markets. Strong knowledge of the regulatory environment. Includes advisory roles to the industry.	83%
Leadership and commercial acumen	Skills gained whilst performing at a senior executive level for a considerable length of time. Includes delivering superior results, running complex businesses, leading complex projects and issues, and leading workplace culture	97%
Financial acumen	Good understanding of financial statements and drivers of financial performance for a business of significant size, including ability to assess the effectiveness of financial controls	87%
Risk and compliance	An understanding of compliance and experience in anticipating and evaluating macro, strategic, operational, financial, social, technological (including digital disruption and cybersecurity) risks that could impact the business. Recognising and managing these risks by developing sound risk management frameworks and providing oversight. Includes experience in managing compliance risks and regulatory relationship.	80%
Strategy	Experience in developing, setting and executing strategic direction. Experience in driving growth and transformation, executing against a clear strategy.	87%
Governance	Publicly listed company experience, extensive experience in and commitment to the highest standards of governance, experience in the establishment and oversight of governance frameworks, policies and processes.	83%
Technology and digital	Experience in businesses of a significant size with major technology focus, including adaptation to digital change and innovation	70%
People, culture and conduct	Experience in people matters including building workforce capability, workplace cultures, Senior Management development, succession planning and setting a remuneration framework that attracts and retains a high calibre of executives, and promotion of diversity and inclusion.	87%
Stakeholder engagement	Demonstrated ability to build and maintain key relationships with industry, government or regulators.	90%

Directors' details

Name	Appointment date	Current length of service	Non-executive?	Independent?
Isikeli Taureka	19 April 2016	2 years, 11 months	Yes	Yes
Karen Smith-Pomeroy	12 September 2016	3 years, 6 months	Yes	Yes
Gregory Pawson	1 January 2018	2 years, 3 months	No	No
Jane Thomason	27 April 2018	1 year, 11 months	Yes	Yes
Andrew Carriline	16 August 2018	1 year, 7 months	Yes	Yes
Paul Hutchinson	16 August 2018	1 year, 7 months	Yes	Yes

Independence

The Board considers an Independent Director to be a Non-Executive Director who is not a member of Kina's Senior Executive Team and who is free of any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement.

At least annually, the Board reviews the independence of each Director in light of interests disclosed to the Board at each Board meeting and considers the following examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

The Board considers that each of the Non-Executive Directors bring objective and independent judgement to Board deliberations and makes a valuable contribution to Kina through the skills and experience they bring to the Board and their understanding of Kina's business.

Throughout the year, the Board had a majority of Independent Non-Executive Directors.

Director induction and education

Kina's induction program is designed to provide all new Directors with a comprehensive view of the business. As part of the induction, new Directors are given a detailed overview of Kina's operations, copies of governance and internal policies and procedures and instruction on the roles and responsibilities of the Board, its Committees and Senior Management.

The electronic Board portal utilised by the Board provides Directors access to relevant Governance Documents, educational information, Board and Committee papers and provides a secure means of communication between Directors and Senior Management. There is a strong emphasis on continued education and Directors are expected to keep themselves updated on changes and trends within the business, in the financial sector, market environment and any changes and trends in the economic, political, social, global, environmental and legal climate generally.

As required by the Standards, all Directors have completed a minimum of 20 hours during the year to their ongoing professional development. Directors are encouraged to attend recognised courses, seminars and conferences and internal education sessions are scheduled at Board meetings throughout the year.

Performance Evaluation

In accordance with the Standards, and as set out in the Board Charter, the performance of the Board, the Directors and its Committees is assessed each year. In 2019, the Board engaged an external consultant to undertake a performance evaluation and as in prior years, undertook an internal skills analysis during the year. The findings were used to further refine the ongoing Board succession and renewal plan. The Board will continue to review individual, Committee and whole of Board performance and ensure that Board composition and the skills and experience of the Directors is appropriate.

Performance evaluations, overseen by the Chairman in the case of the CEO, and the Remuneration and Nomination Committee in the case of Senior Management, are carried out on an annual basis and were completed in 2019.

Chairman

In accordance with the Board Charter, the Chairman of the Board is an Independent Director. The roles and responsibilities of the Chairman are contained within the Board Charter.

Company Secretary

Mr. Chetan Chopra was appointed Company Secretary and Chief Financial Officer (CFO) on 21 June 2016. Mr. Chopra holds a Bachelor of Science from Mumbai University and an MBA from Melbourne Business School, University of Melbourne. Chetan is a member of Certified Practising Accountants Australia, PNG and India.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Board Committees

	Audit and Risk Committee	Remuneration and Nomination Committee	Disclosure Committee
Roles & Responsibilities	<ul style="list-style-type: none"> reviewing financial reports and overseeing the financial reporting process; overseeing statutory reporting requirements; receiving internal and external audit reports and ensuring management take corrective actions to address control weaknesses and non-compliance; recommend appointment or removal of the External Auditor; review the External Auditor's performance; monitor provision of non-audit services; oversee the Internal Audit function, ensuring reporting line and unfettered access to Chair of the Committee or Chair of the Board; review and recommend the Group's risk management frameworks; monitor risk profile of the Group against agreed risk appetite and risk management frameworks; monitor adherence to Risk Policies; and oversee operation of the Whistleblower Policy. <p>The Committee met 8 times in 2019.</p>	<ul style="list-style-type: none"> recommend and review remuneration policy across the Group; review and consider composition of the Board; make recommendations to the Board in regard to succession planning for the CEO and his direct reports and appointment of Directors; administering aspects of Fit and Proper requirements of BPNG Prudential Standards; review structure and level of Directors' fees; review remuneration framework (including Short Term Incentives, Long Term Incentives and non-cash elements) of the CEO, Senior Management and Responsible Persons; review terms and conditions of employment agreements; review terms of superannuation and pension scheme arrangements; assist in annual performance review of the CEO; oversee annual performance review of Senior Management; and review effectiveness of the Diversity Policy and its objectives and strategies. <p>The Committee met 6 times in 2019.</p>	<ul style="list-style-type: none"> assess whether information concerning the Company should be disclosed to the market; determine the substance of the market disclosure and when it must be made; where necessary, review market disclosures for accuracy and completeness and approve or recommend to the Board for approval; determine whether a trading halt or voluntary suspension of trading is required; respond to any request from the ASX or PNGX to disclose market sensitive information to correct or prevent a false market; ensure that breaches of the BPNG Standards are communicated, where appropriate, to the BPNG or other regulators in compliance with the relevant listing rules and/or continuous disclosure requirements; and oversee the Disclosure Officer's administration of the Continuous Disclosure Policy. <p>The Committee met once in 2019.</p>
Membership throughout the year	<p>Karen Smith-Pomeroy (Chair) (Independent)</p> <p>Andrew Carriline (Independent)</p> <p>Paul Hutchinson (Independent)</p>	<p>Jane Thomason (Chair) (Independent)</p> <p>Andrew Carriline (Independent)</p> <p>Karen Smith-Pomeroy (Independent)</p>	<p>Isikeli Taureka (Chair) (Independent)</p> <p>Greg Pawson (Managing Director and CEO)</p> <p>Karen Smith-Pomeroy (Independent)</p> <p>Andrew Carriline (Independent)</p>

Membership of the Committees during the reporting period, the number of Board and Committee meetings and the attendance at those meetings are set out below:

Director	Board meetings		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings		Disclosure Committee Meetings	
	A	B	A	B	A	B	A	B
Isikeli Taureka	8	8	-	-	-	-	1	1
Karen Smith-Pomeroy	8	7 ¹	8	8	6	6	1	1
Greg Pawson	8	8	-	-	-	-	1	1
Jane Thomason	8	6 ¹	-	-	6	5 ¹	-	-
Andrew Carriline	8	8	8	8	6	6	1	1
Paul Hutchinson	8	8	8	8	-	-	-	-

A Meetings held that the director was eligible to attend

¹ These absences were known and approved prior to the meeting

B Meetings attended

Board Committees

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 established an Audit and Risk Committee, a Remuneration and Nomination Committee and a Disclosure Committee. Each Committee has a separate Charter which sets out, in detail, the membership and powers of the Committee including its roles and responsibilities.

The Charters are reviewed at least annually.

Other Committees may be established by the Board as and when required. Membership of Board Committees will be based on the needs of Kina, relevant legislative and other requirements and the skills and experience of individual Directors.

Remuneration

Kina is committed to fair and responsible remuneration throughout the Group. Members of Senior Management are remunerated in a way that aims to attract and retain an appropriate level of talent and reflects their performance in relation to the delivery of corporate strategy and operational performance. Remuneration for Non-Executive Directors is set using advice from independent consultants and takes into account the level of fees paid to Non-Executive Directors of similar corporations and the responsibilities and work requirements of the Non-Executive Directors.

The Remuneration Report and further details about the remuneration policy of Kina are set out in the Directors' Report

Acting ethically and responsibly

The Board is committed to ensuring that Kina maintains the highest standards of integrity, honesty and fairness in its dealings with all stakeholders, and that Kina complies with all legal and other obligations.

Kina's *Code of Ethics and Business Conduct* applies to all directors, employees of Kina and its subsidiaries (including subcontractors and consultants). The Code of Conduct sets out certain minimum standards of conduct that Kina expects of its Employees and Directors including integrity, diligence, impartiality, equality and fairness. The Code of Ethics and Business Conduct sets out how Employees and Directors are to conduct themselves in order to meet these minimum standards. It is a requirement for all Directors and Officers to acknowledge this policy annually.

Diversity

The *Diversity Policy* emphasises Kina's commitment to the maintenance and promotion of a workplace that ensures equity and fairness and is free from discrimination, harassment, bullying and victimisation. Kina recognises the importance of embracing diversity, specifically in valuing the unique qualities, attributes, skills and experiences each employee brings to the workplace.

The Company's vision for diversity incorporates a number of different factors, including but not limited to gender, ethnicity and cultural background, disability, age and educational experience. The Diversity Policy provides a framework to help Kina achieve its diversity goals, while creating a commitment to a diverse work environment where staff are treated fairly and with respect, and have equal access to workplace opportunities.

The numbers and percentage of females within Kina’s workforce, including the Board and Senior Executive Team is set out below:

	31 December 2019			31 December 2018		
	Females	Males	Total	Females	Males	Total
Board	2	4	6	2	3	5
Senior Management	1	8	9	2	8	10
Team Leader	45	30	75	39	48	87
Other employees	344	260	604	156	113	269

Kina was an inaugural member of the PNG Business Coalition for Women and through the year has provided specialist training to female team leaders to assist with their career development. Kina is a strong advocate for gender smart policies in the workplace and provides both maternity and paternity leave for its workers. Also, within the first six months’ of a child’s life, new parents are provided with paid leave to enable time out of the workplace to feed new babies.

In January 2020, Kina subscribed to the Bel isi PNG program, which provides safe housing and case management services for employees who are victims of domestic violence.

The ratio of women to men at Kina is 57% female to 43% male.

The Group will continue to promote awareness and understanding of workplace diversity principles and develop policies to assist employees balance work, family and cultural responsibilities whilst at the same time removing barriers to career development.

Senior Management are those individuals who report directly to the MD/CEO. Team Leaders are those individuals who have been appointed as Supervisors and Managers.

The Remuneration and Nomination Committee reviews and oversees the implementation of the Diversity Policy. Following completion of the ANZ Acquisition, the Board’s Remuneration and Nomination Committee continues to reassess the Company’s measurable objectives.

Written declarations

When the Board considers the statutory half-year and annual financial statements, the Board obtains a declaration (equivalent to the declaration required by section 295A of the Corporations Act and the statements required by Recommendation 4.2 of the ASX Recommendations), from the CEO and CFO in regard to the integrity of the financial statements and assurance as to the effective operation of the risk management and internal compliance and control systems.

External Auditor

For 2019, Kina’s external auditor was Deloitte Touche Tohmatsu who were re-appointed at the 2019 Annual General Meeting as Kina’s External Auditor. The Audit and Risk Committee is responsible for recommending the appointment or removal of the External Auditor as well as annually reviewing their effectiveness, performance and independence.

The External Auditor is required to attend the Company’s Annual General Meeting and is available to address questions relevant to the conduct of the audit and the preparation and content of the Auditor’s Report.

Timely and balanced disclosure

Kina is committed to observing its disclosure obligations under the ASX Listing Rules, the PNGX Listing Rules, the PNG Act, the Corporations Act and the PNG Securities Act. The Board has adopted a *Continuous Disclosure Policy* (and a *Shareholder Communication Policy*) that implement Kina’s commitment to providing timely, complete and accurate disclosure of information.

The Continuous Disclosure Policy sets out the roles and responsibilities of officers and employees in complying with Kina’s continuous disclosure obligations and nominates those individuals who are responsible for determining whether or not information is required to be disclosed.

Shareholder Communications

The *Shareholder Communications Policy* promotes effective communication with shareholders and seeks to ensure that shareholders have equal and timely access to material information concerning Kina. The Policy sets out the investor relations program, a key tenet of which is to encourage effective shareholder participation.

In accordance with the Shareholder Communications Policy, Shareholders are encouraged to attend General Meetings of shareholders and shareholder information sessions and to submit written questions prior to those meetings. If they are unable to attend General Meetings of shareholders, shareholders are encouraged to vote by proxy or other means included in the Notice of Meeting.

Kina's website www.kinabank.com.pg contains information regarding the Company, the Board and Senior Executive Team, corporate governance, media coverage, ASX announcements, investor presentations and reports.

Kina's Investor Relations Program 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 Kina's performance and strategies, Kina will convene analyst briefings twice a year on Kina's financial performance and objectives.

Shareholders may receive and send information electronically to and from both Kina and Kina's Share Registry. Other methods of communication are also available to shareholders and other stakeholders, including telephone and mail. Kina may consider the use of other reliable technologies as they become widely available.

Risk Management and Internal Controls

Risk is managed structurally through clearly defined risk management policies specific to certain parts of the business. These are interlinked and feed into a Group Risk Management Framework, which is overseen by the Audit and Risk Committee. The Board has approved and regularly reviews and updates the Group's Risk Appetite Statement and tolerance limits, as part of the Group Risk Management Framework, to ensure that all major areas of risk and risk management systems are appropriately monitored and accurately documented.

The Committee is supported by a number of approved risk management committees, including the Credit Committee, Asset and Liability Committee and Executive Committee. The Operational Risk division nurtures a strong and robust risk culture within the Group through the application of the three lines of defence model.

Communication and education throughout the Group on the three lines of defence model emphasises each individual's role in the management of risk. During 2019, the Group's Risk Management Framework, including underlying policies, was reviewed by the Audit and Risk Committee and, where relevant, by the Board.

A dedicated Compliance department is in place to ensure that Kina personnel are aware of the Group's prudential and legislative obligations and that these are maintained at all times. Operational risk within the Group is monitored including an ongoing Occupational Health, Safety and Wellbeing regime which is designed to maintain the safety of Kina's Employees and Customers. The Group's risk management activities comply with all relevant regulation including that of the BPNG Standards, relevant legislation and the Investment Promotion Authority (IPA).

Kina has also employed skilled credit managers who have an understanding of the PNG economic environment to ensure that the growing loan portfolio is maintained within an acceptable level of risk and within Kina's agreed risk appetite.

Kina's risk management framework and internal control functions incorporate an Internal Audit function which reports directly to the Audit and Risk Committee.

The Internal Audit function continues to be co-sourced with external providers which brings the benefit of enhancing Kina personnel's existing knowledge and expertise. The Internal Audit function provides independent and objective assurance to the Board, via the Audit and Risk Committee. The annual Internal Audit Plan is formulated using a risk based approach.

Progress against the Internal Audit Plan is reported to the Committee on a quarterly basis.

All lending proposals are considered based on credit policy and within the risk appetite of the Group. Debt servicing assessment criteria is maintained to ensure Kina understands its level of credit risk whilst managing its impairment exposure.

Kina Bank Limited (KBL), a wholly owned subsidiary of Kina, is exposed to the economic conditions of PNG through its normal course of business in lending monies to commercial businesses operating in PNG. KBL does not have any material exposure to environmental or social sustainability risks.

Dealings in Company Securities

The Board has adopted a *Securities Trading Policy* that applies to Kina's equity-based remuneration scheme and explains the conduct that is prohibited under the PNG Securities Act and the Corporations Act.

The Securities Trading Policy:

- provides for certain Trading Windows when 'Relevant Persons' may trade provided the appropriate process has been adhered to;
- prohibits any Relevant Person from entering into a hedge transaction involving unvested equity held pursuant to an Employee, Senior Management or Director Equity Plan operated by Kina;
- prohibits any Relevant Person from entering into a hedge transaction involving unvested equity held pursuant to an Employee, Senior Management or Director Equity Plan operated by Kina;
- sets out the prohibitions against insider trading and prescribes certain requirements for dealing in Kina securities; and
- prohibits Relevant Persons from trading in Kina securities while in possession of material non-public information, which is information a reasonable person would expect to have a material effect on the price or value of Kina securities.