



Securities Trading Policy

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1. Introduction

As a publicly listed company, Kina Securities Limited (**Kina** or the **Company**) and its related bodies corporate (**Kina Group**) is bound by Papua New Guinea (**PNG**) laws and the Listing Rules of the Australian Securities Exchange (**ASX**) and the Papua New Guinea National Stock Exchange (**PNGX**) governing the conduct for buying, selling and otherwise dealing in **Securities**.

1.1 Purpose

The purpose of the Securities Trading Policy (**Policy**) is to:

- explain the types of conduct in dealing in Securities that are prohibited under the PNG *Securities Commission Act 2015* (**Securities Commission Act**) (replacing the Securities Act 1997) and the *Capital Markets Act 2015* (**Capital Markets Act**), the PNG *Companies Act 1997* (**Companies Act**), the Australian *Corporations Act 2001 (Cth)* (**Corporations Act**) and the Listing Rules of the ASX and PNGX. Such prohibitions apply to all **Relevant Persons** of the Kina Group, as defined in section 1.2.4 of this Policy; and
- establish a best practice procedure for the buying and selling of Securities that protects the Company and all Relevant Persons against the misuse of **inside information** which could materially affect the value of Company Securities.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board of Directors of the Company (**Board**) considers that compliance with this Policy is essential for all Relevant Persons to meet the highest standards of conduct.

Any non-compliance with this Policy will be regarded as serious misconduct which may entitle the Company to take disciplinary action.

It is essential that all Relevant Persons read, understand and comply with this Policy. Should any Relevant Person be unsure about any aspect of the Policy, please contact the Company Secretary.

1.2 Definitions

For the purpose of this Policy:

1.2.1 Dealing includes:

- buying or otherwise applying for Securities, whether on or off market;
- selling or otherwise disposing of Securities, whether on or off market;
- arranging for someone else to buy, sell or otherwise apply for or dispose of Securities;
- margin lending, stock lending or other financing arrangements related to Securities;
- issuing, underwriting or varying the terms of Securities; and
- transferring legal ownership of Securities, even where beneficial ownership does not change.

1.2.2 Inside information means information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to, have a material effect on the price or value of those Securities. This is satisfied where the information would, or would be likely to, influence investors in deciding whether to buy or sell Securities; and
- can include information which is of an uncertain nature, rumours, matters of supposition, matters relating to the intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

1.2.3 Securities (including the Company's Securities) includes:

- shares;
- options;
- performance rights
- notes, bonds and other debentures;
- interests in managed investment schemes, trusts and other financial products; and
- any derivatives of those securities, including equity swaps, futures, hedges and exchange-traded or over-the-counter options, whether settled by cash or otherwise.

1.2.4 Persons to whom this policy applies

Unless otherwise stated, this Policy applies to:

- all directors and officers of the Kina Group (including the Managing Director & Chief Executive Officer (CEO));
- all direct reports to the CEO and their direct reports;
- all employees of the Kina Group;
- any contractors or outsourced service providers, if appointed;
- any other personnel designated by the Board (collectively, with the persons described in the first two bullets, **Kina Personnel**); and
- closely related parties of all Kina Personnel, being:
 - a spouse or child of the Kina Personnel; or
 - a child of the Kina Personnel's spouse; or
 - a dependant of the Kina Personnel or of the Kina Personnel's spouse; or
 - anyone else who is one of the Kina Personnel's family and may be expected to influence the Kina Personnel, or be influenced by the Kina Personnel, in the Kina Personnel's dealings with the entity; or
 - a company the Kina Personnel controls; or
 - a person prescribed by the regulations (at the time of writing, no person has been prescribed by the regulations).

In this Policy, the persons listed above are called **Relevant Persons**.

Where this Policy requires a Relevant Person to do something (e.g. Obtaining clearance in accordance with section 1.3.4 of this Policy), that person must also do so for their closely related parties.

1.2.5 The "Front Page" Test

It is important that public confidence in the Company is maintained. It would be damaging to the Company's reputation if the market or the general public perceived that Relevant Persons might be taking advantage of their position to make financial gains (by dealing in Securities on the basis of confidential information).

As a guiding principle, Relevant Persons should ask themselves:

*If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the Relevant Person taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (the **Front Page Test**)*

If the Relevant Person is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

1.3 Restrictions on Dealing in Securities

1.3.1 No trading when in possession of inside information

In summary, if a Relevant Person has any **inside information** (as defined in section 1.2.2 of this Policy) about Kina (or the Securities of any other entity - see section 1.7 of this Policy) which is not publically known, it is a criminal offence for any Relevant Person to:

- trade in Securities (or the Securities of any other entity);
- advise or procure another person to trade in Securities (or the Securities of any other entity); or
- pass on **inside information** to someone else (including colleagues, family or friends) knowing (or where the Relevant Person should have reasonably known) that the other person will, or is likely to, use that information to trade in, or procure someone else to trade in, in Securities (or the Securities of any other entity).

1.3.2 Consequences of insider trading

This offence, called "insider trading", can subject the Relevant Person to:

- criminal liability including large fines and/or imprisonment;
- a civil penalty (fine) of up to hundreds of thousands of dollars; and
- civil liability, which may include being sued for any loss suffered as a result of illegal trading.

1.3.3 Other prohibited dealings - Blackout Periods

Blackout Periods are times when Relevant Persons must not deal in Securities.

The following are mandated Blackout Periods:

- from the close of the trading day on 30 November each year, until the close of the trading day following the day on which the Company's full year results are released to ASX and PNGX;
- from the close of the trading day on 31 May each year, until the close of the trading day following the day on which the Company's half-yearly results are released to the ASX and PNGX; and
- any other period that the Board specifies from time to time.

If 31 May and 30 November are not trading days, then the Blackout Period begins on the preceding trading day.

For the avoidance of doubt, the above Blackout Periods apply to trading on both ASX and PNGX. However, ASX's trading day calendar will be used to determine the timing of the relevant Blackout Period.

During Blackout Periods, Relevant Persons must not deal in Securities unless permitted to do so under 1.3.4 to 1.6 of this Policy.

1.3.4 Exceptional circumstances

If a Relevant Person, who is not in possession of **inside information**, needs to deal in Securities during a Blackout Period due to exceptional circumstances, but such dealing is prohibited by this Policy, the Relevant Person may apply to:

- the Chair of the Board (if the Relevant Person is a director (other than the Chair of the Board), or one of their closely related parties);
- the Chair of the Audit Committee (if the Relevant Person is the Chair of the Board or one of their closely related parties); or
- the CEO (in the case of other Relevant Persons),
- or their delegate,

(individually, the **Approver**), for a waiver from compliance with the provisions of section 1.3.3 of this Policy.

Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Approver.

Relevant Persons seeking a waiver under this clause (the **Requester**) must apply in writing to the relevant Approver setting out:

- the details of the proposed dealing, including an explanation as to the exceptional circumstances;
- the number and type of Securities the subject of the application;
- the proposed date(s) for executing the proposed dealing(s); and
- the reason the waiver is requested.

The Approver may, in their reasonable discretion, require further details from the Requester, and may take the time they consider necessary to consider the request, including time to seek legal opinion.

A waiver will only be granted if the Requester's application is accompanied by sufficient evidence (in the opinion of the Approver) that the requested dealing is the only reasonable course of action available in the circumstances.

If a waiver is granted, the Requester will be notified in writing (including by email) and in each circumstance the duration of the waiver to deal in securities will be two business days or as otherwise nominated by the Approver.

Where a waiver is given pursuant to section 1.3.3 of this Policy, the Requester must notify the Company Secretary of the details of that waiver for record keeping purposes.

Unless otherwise specified in the approval notice, any dealing permitted under sections 1.3.3 to 1.6 of this Policy, must comply with the other sections of this Policy (to the extent applicable).

1.3.5 Other permitted dealings

Following a Blackout Period, the Board in its absolute discretion, may elect to authorise the formal opening of a **Trading Window**, during which Relevant Persons will be permitted to trade in Securities. The Company Secretary will advise Kina Personnel of the formal opening and closure of a Trading Window.

During any period other than a Blackout Period, including a Trading Window, and before any dealing in Securities is undertaken, the Relevant Person seeking to trade (see **Column A** below) must provide notification to and seek approval for any proposed dealing in Securities from the person(s) approving the trade (see **Column B**, below):

COLUMN A RELEVANT PERSON SEEKING TO TRADE (INCLUDING ANY CLOSELY RELATED PARTY)	COLUMN B PERSON(S) APPROVING THE TRADE ("APPROVER")
Directors of Kina (including the CEO)	The Chair of the Board
The Chair of the Board	The Chair of the Audit & Risk Committee
The CEO's direct reports, their direct reports and any person designated by the Board under paragraph 1.2.4 of this Policy	The CEO

Following approval, Relevant Persons must undertake the proposed dealing within five business days or as otherwise notified by the Approver. If the dealing is not undertaken within this time, the approval will no longer have effect and a new approval will be required.

Relevant Persons must confirm any such dealings with the Approver and the Company Secretary within two business days of the dealing. The Company Secretary will keep a record of this information.

The insider trading restriction in section 1.3 of this Policy applies to all dealings in Company Securities despite any approval given to a Relevant Person under this Policy, and the Relevant Person is responsible for ensuring that the dealing does not breach this restriction.

1.4 Margin Lending

Any dealing in Securities by Relevant Persons pursuant to a margin lending arrangement is not permitted.

Such dealings would cover:

- entering into a margin lending arrangement in respect of Securities;
- transferring Securities into an existing margin loan account; and
- selling Securities to satisfy a call pursuant to a margin loan.

1.5 Hedging of Company Securities

Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Securities.

- Hedging of Securities by a Relevant Person is subject to the following overriding prohibitions:
 - the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
 - Securities must never be hedged prior to the vesting of those Securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
 - Securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- Relevant Persons are permitted to hedge their vested and unrestricted Securities on the following conditions:
 - the hedge transaction is treated as a dealing in Securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
 - the relevant requirements under section 1.3.4 of this Policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Securities, the Company may, where appropriate, disclose the fact and nature of the hedge (e.g. in its Annual Report or in an announcement to ASX and PNGX).

1.6 Exclusions

Sections 1.3.2 to 1.3.5 of this Policy do not apply to:

- participation in an employee, executive or director equity incentive plan (both short-term incentive plan (STI) or long-term incentive plan (LTI) operated by the Company (e.g., applying for an allocation of Securities under an employee equity incentive plan offer). However, where Securities granted under an employee, executive or director equity incentive plan cease to be held under the terms of that plan, any dealings in those Securities must only occur in accordance with this Policy;
- the following categories of passive trades:
 - acquisition of Securities through a dividend reinvestment plan;
 - acquisition of Securities through a share purchase plan available to all retail shareholders;
 - acquisition of Securities through a rights issue or other pro rata entitlement offer; and
 - the disposal of Securities through the acceptance of a takeover offer;
- dealings that result in no effective change to the beneficial interest in the Securities (e.g., transfers of Securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary); and
- trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a Blackout Period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Blackout Period other than in exceptional circumstances.

For the avoidance of doubt, such dealings are still subject to the insider trading restrictions of this Policy where applicable.

1.7 Securities in other Companies

In general, Relevant Persons are free to deal in securities in other listed companies, but should note that the Securities Act, Capital Market Act, Companies Act and the Corporations Act contain various prohibitions on trading in other listed companies with which the Company may be dealing (including the Company's customers, contractors or business partners) where that Relevant Person possesses **inside information** in relation to that other company.

Relevant Persons may come into possession of **inside information** where they are directly involved in client relationship management or negotiating contracts. For example, where the Relevant Person is aware that the Company is about to sign a major agreement with another company, the Relevant Person should not deal in Securities or the Securities of the other company.

If you are in doubt, you should: (a) not trade; (b) not pass the **inside information** to another person; and (c) immediately seek advice from the Company Secretary.

1.8 Breach

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company. Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

Any person who:

- is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach; or
- is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

1.9 Director Notification Requirements

Directors have agreed with the Company to provide details of changes in Securities they hold (directly or indirectly) (**Notifiable Interest**) to the Company Secretary within three business days of the change to enable the Company to comply with its obligations under the ASX and PNGX Listing Rules to notify the market of the change in the Director's Notifiable Interests within five business days of the change (in its Appendix 3Y filing).

If a change to a Director's Notifiable Interest occurs during a Prohibited Period, the Company must tell ASX and PNGX (in its Appendix 3Y filing) that this is the case, whether prior written clearance for the relevant dealing was provided and the date of such clearance.

1.10 Insider Trading

The requirements imposed by this Policy are separate from, and additional to, the legal prohibitions in the Securities Act, the Capital Markets Act, Companies Act and the Corporations Act on insider trading.

1.11 Who to Contact

Any person who has any queries about this Policy should contact the Company Secretary.

1.12 ASX Listing Rule Requirements

ASX Listing Rule 12.9 requires this Policy to be disclosed to the ASX. Where the Company makes a material change to this Policy, the amended Policy must be provided to ASX within five business days of the material changes taking effect, in accordance with ASX Listing Rule 12.10.

1.13 Review of this Policy

The Board will review this Policy at least annually, having regard to the changing circumstances of the Company, and the Policy will be subject to Board approval if any updates are made.

Any amendments to this policy will be notified to affected persons in writing.

Approved by the Board: 20 April 2021