

**KINA SECURITIES LIMITED**  
**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**  
**AND**  
**VOTING FORM**

**TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE**  
**ANNUAL GENERAL MEETING MEMBERS**  
**TO BE HELD ONLINE ON WEDNESDAY, 26 MAY 2021**  
**AT 10:00AM (PORT MORESBY TIME | AEST)**

*THIS DOCUMENT IS IMPORTANT*

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If you do not understand these documents or are in any doubt as to how to deal with them, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

**Shareholder Enquiries:**

**+61 1300 554 474**

23 April 2021

Dear Shareholder,

**Kina Securities Limited - Annual General Meeting**

On behalf of the Directors of Kina Securities Limited (Company Number: 1-10989 | ARBN 606 168 594) (**Kina** or the **Company**), I am pleased to invite you to participate in Kina's 2021 Annual General Meeting (**AGM** or **Meeting**), to be held on **Wednesday, 26 May 2021** commencing at 10:00am (Port Moresby time | AEST). Enclosed is the Notice of Meeting setting out the business of the AGM.

In light of the ongoing COVID-19 pandemic, the Board has elected that the AGM will be held as an online Meeting.

Shareholders will be able to participate in the AGM by:

- joining the AGM in real time via our online platform at <https://agmlive.link/KSLAGM21>;
- asking questions of the Board:
  - before the AGM, using the AGM Question Form enclosed with the Notice of Meeting or by lodging questions online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au); and/or
  - during the AGM via the online platform; and
- voting on the resolutions to be considered at the AGM either by lodging the enclosed Voting Form before the AGM or by direct voting during the online meeting,

or by a combination of these steps.

Further details of how to participate in the online Meeting are set out in the *Notice of Meeting* and *Virtual Meeting Online Guide (Online Guide)*. The Online Guide includes details of how to ensure your browser is compatible with the online platform, and a step-by-step guide to logging in, navigating the site, and asking questions and voting at the online AGM.

I encourage you to read the Notice of Meeting (including the Explanatory Memorandum), Online Guide and the Voting Form, and consider directing your proxy how to vote on each resolution by marking either the **For** box, the **Against** box or the **Abstain** box on the Voting Form.

If you are unable to participate in the online AGM, I encourage you to either:

- direct voting prior to the AGM online by logging on to the Link Market Services website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and following the instructions on the Voting Form; or
- complete and return the enclosed Voting Form no later than 10:00am (Port Moresby time | AEST) on Monday, 24 May 2021 in one of the ways specified in the Notice of Meeting and the Voting Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors unanimously recommend that Shareholders vote in favour of all resolutions.

Shareholders participating in the AGM via the online platform, will have the opportunity to submit questions to the Board, Senior Management and Kina's auditor during the AGM.

If you would like to ask a question prior to the AGM, please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select 'Voting' then click 'Ask a Question', or alternatively submit the enclosed AGM Question Form by 5:00pm (Port Moresby time | AEST) on Wednesday, 19 May 2021.

Thank you for your continued support of Kina and I look forward to your participation and the opportunity to engage with you at the AGM.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Isikeli Taureka".

**Isikeli Taureka**  
**Chairman**

## Notice of Annual General Meeting

**Kina Securities Limited (Company Number: 1-10989 | ARBN 606 168 594)**

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of Shareholders of Kina Securities Limited (**Kina** or the **Company**) will be held:

**Date:** Wednesday, 26 May 2021

**Time:** 10:00am (Port Moresby time | AEST)

**Venue:** Virtual Online only

The Explanatory Memorandum attached to this Notice of Meeting, provides additional information on matters to be considered at the AGM and is hereby incorporated into and forms part of this Notice of Meeting.

### GENERAL BUSINESS

#### Receipt of the 2020 AGM Minutes

To receive, consider, and accept the Minutes of the Annual General Meeting held on 19 May 2020, as a correct record of the Meeting.

### ORDINARY BUSINESS

#### Receipt of the financial statement and reports

To receive the 2020 Annual Report, including the Financial Statements, Directors' Report and Auditor's Report for the Company and its subsidiaries for the year ended 31 December 2020. A copy of Kina's 2020 Annual Report can be downloaded on Kina's website at: <http://investors.kinabank.com.pg/investors/?page=annual-reports>.

### Resolutions

#### Resolution 1 Election of Director - Ila Temu

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That Ila Temu, who retires in accordance with Article 70.5 of the Constitution and being eligible, hereby offers himself for election, is elected as a Director of the Company."*

#### Resolution 2 Re-election of Director - Jane Thomason

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That Jane Thomason, who retires in accordance with Article 70.6 of the Constitution and being eligible, hereby offers herself for re-election, is re-elected as a Director of the Company."*

#### Resolution 3 Appointment of Auditor

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

*"That, in accordance with Section 190 of the Papua New Guinea Companies Act 1997 (**Companies Act**) and for all other purposes, Deloitte Touche Tohmatsu (**Deloitte**) be appointed as the Auditor of the Company commencing at the end of this Meeting until the next Annual General Meeting of the Company, and being eligible to do so, offer themselves for reappointment and that, in accordance with Section 191 of the Companies Act, the Directors be authorised to fix the remuneration and expenses of the Auditor."*

#### Resolution 4 Grant of Performance Rights to Managing Director and Chief Executive Officer for FY2020

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 350,041 Performance Rights under the Kina Performance Rights Plan - Short Term Incentive Award and 333,373 Performance Rights under the Kina Performance Rights Plan - Long Term Incentive Award to the Managing Director and Chief Executive Officer, Mr Gregory Pawson, for the financial year ended 31 December 2020, in accordance with the rules of the Kina Performance Rights Plan and on the terms described in the Explanatory Notes which forms part of this Notice of Meeting, is approved."*

#### Resolution 5 Grant of Performance Rights to Managing Director and Chief Executive Officer for FY2021

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of Performance Rights up to the value of A\$310,433 under the Kina Performance Rights Plan - Short Term Incentive Award and Performance Rights up to the value of A\$295,650 under the Kina Performance Rights Plan - Long Term Incentive Award to the Managing Director and Chief Executive Officer, Mr Gregory Pawson, for the financial year ending 31 December 2021, in accordance with the rules of the Kina Performance Rights Plan and on the terms described in the Explanatory Notes which forms part of this Notice of Meeting, is approved."*

### **Voting Exclusion Statement - Resolutions 4 and 5**

1. In accordance with ASX Listing Rule 14.11 and PNGX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolutions 4 and 5 by or on behalf of:
  - a) by any Director of the Company who is eligible to participate in the Kina Performance Rights Plan - Short Term Incentive Award or the Kina Performance Rights Plan - Long Term Incentive Award; or
  - b) an associate of that person (or those persons).
2. However, this does not apply to a vote cast in favour of Resolutions 4 and 5 by:
  - a) a person as proxy or attorney for a person who is entitled to vote on Resolutions 4 and 5, in accordance with directions given to the proxy or attorney to vote on Resolutions 4 and 5 in that way; or
  - b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolutions 4 and 5, in accordance with a direction given to the Chairman of the Meeting to vote on Resolutions 4 and 5 as the Chairman of the Meeting decides; or
  - c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolutions 4 and 5; and
    - ii) the holder votes on Resolutions 4 and 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 6 Issue of Performance Rights under the Kina Performance Rights Plan**

To consider and if thought fit, pass the following as an ordinary resolution of the Company:

*“That for the purpose of ASX Listing Rule 10.14 and all other purposes, the issue of 1,587,359 Unquoted Performance Rights to Key Management Personnel under the Kina Performance Rights Plan, on the terms described in the Explanatory Memorandum which forms part of this Notice of Meeting, is approved.”*

### **Voting Exclusion Statement - Resolution 6**

1. In accordance with ASX Listing Rule 14.11 and PNGX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:
  - a) any KMP; and
  - b) an associate of that person (or those persons).
2. Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 6 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Kina Performance Rights Plan.
3. However, this does not apply to a vote cast in favour of Resolution 6 by:
  - a) a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the directions given to the proxy or attorney to vote on Resolution 6 in that way; or
  - b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman of the Meeting decides; or
  - c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6; and
    - ii) the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.
4. In accordance with section 250BD of the *Corporations Act 2001 (Cth)* (**Corporations Act**), a vote must not be cast on Resolution 6 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

### **Resolution 7 Remuneration Report**

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

*“That the Company’s Remuneration Report for the financial year ended 31 December 2020, as set out in the Directors’ Report, is adopted.”*

The Remuneration Report is contained in the 2020 Annual Report is available on Kina’s website at: <https://investors.kinabank.com.pg/Investors/?page=Reports-and-Presentations>. Please note that, in accordance with section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.

## **Voting Exclusion Statement - Resolution 7**

A vote on Resolution 7 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a) a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2020 Remuneration Report; or
- b) a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 7 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b) the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
  - i) does not specify the way the proxy is to vote on the resolution; and
  - ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 7 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

## **ANY OTHER BUSINESS**

To consider any other business of the day.

## **VOTING PROCEDURES AT THE AGM**

### **All resolutions will be by poll**

As the AGM is being held online only, and in accordance with Article 55.3 of the Constitution, the Chairman intends to demand a poll on each of the resolutions proposed at the AGM.

### **Direct voting**

In accordance with Article 53.3 of the Constitution, the directors, including the Chairman:

- a) have determined that at the AGM, a Shareholder who is entitled to attend and vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution; and
- b) have approved the use of the Link’s online platform as means by which Shareholders may deliver their direct vote.

### **Casting your direct vote in real time using Link’s online platform**

To facilitate Shareholder participation, and in accordance with his powers under Article 53.3 of the Constitution, the Chairman has determined that all Shareholders will have the opportunity to participate in the AGM through Link’s online platform at <https://agmlive.link/KSLAGM21>, where all Shareholders will be able to view the AGM live, lodge a direct vote in real time and ask questions online.

### **Eligibility to Vote**

In accordance with Section 106 of the Companies Act and Article 59 of the Constitution, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Port Moresby time | AEST) on Monday, 24 May 2021, being two days before date of Meeting, will be entitled to participate and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether online or by proxy) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### **How to Vote**

#### **Direct vote - prior to the AGM**

In accordance with Clause 5 of Schedule 2 of the Companies Act, Shareholders will be able to vote on resolutions considered at the meeting **at any time between the date of this Notice of Meeting and 10.00am (Port Moresby time | AEST) on Monday, 24 May 2021**. For details about how you can submit your Voting Form, please refer to the section below titled *Submitting your Voting Form prior to the AGM*.

#### **Direct vote - during the AGM using Link’s online platform**

Shareholders participating in the meeting using Link’s online platform at <https://agmlive.link/KSLAGM21> will be able to vote directly **at any time between the commencement of the AGM at 10:00am (Port Moresby time | AEST) on Wednesday, 26 May 2021, and the closure of voting as announced by the Chairman during the AGM**.



More information regarding online participation at the AGM (including how to vote and ask questions online during the AGM) is available in the *Virtual Meeting Online Guide*. The Online Guide will be filed with the ASX and PNGX and will also be available on our website at [www.kinabank.com.pg/agm](http://www.kinabank.com.pg/agm). To ensure your browser is compatible, please follow the instructions in the Online Guide - we recommend confirming this prior to determining whether to participate in the AGM using Link's online platform.

If you lodge a direct vote, you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf. Kina's Direct Voting Regulations governing direct voting are available on the Kina's website at [www.kinabank.com.pg/agm](http://www.kinabank.com.pg/agm). By submitting a direct vote, you agree to be bound by Kina's Direct Voting Regulations.

### Appointment of Proxy

If you are a Shareholder entitled to participate and vote at the AGM, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with Clause 9 of Schedule 2 of the Companies Act to exercise its powers as proxy during the AGM.

A proxy need not be a shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

If you wish to appoint a proxy, please fill out, sign and return the attached Voting Form as directed by the notes on the Voting Form.

### Submitting your Voting Form prior to the AGM

To be effective, the Voting Form must be received by the Company in the manner set out below.

The Chairman of the Meeting's decision on the validity of a direct vote or vote cast by a proxy, is conclusive and the Company reserves the right to declare invalid any Voting Form not received in this manner.

For your proxy or direct vote prior to the AGM to be effective, your completed Voting Form must be received by Link no later than **10.00am (Port Moresby time AEST) on Monday, 24 May 2021**. After this time, you will still be able to vote during the AGM by submitting your direct vote using Link Group's online platform.

Voting Forms must be received before that time by one of the following methods:

	Australia	PNG
By post:	Kina Securities Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia	Kina Securities Limited C/- PNG Registries Limited PO Box 1265 Port Moresby NCD Papua New Guinea
By facsimile:	+61 2 9287 0309	+675 321 6379
By delivery in person:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138	PNG Registries Limited Level 4, Cuthbertson House Cuthbertson Street Port Moresby NCD Papua New Guinea
Online:	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>	<a href="mailto:brenda@online.net.pg">brenda@online.net.pg</a>

### Power of Attorney

A Voting Form and the original Power of Attorney (if any) under which the Voting Form is signed (or a certified copy of that Power of Attorney or other authority) must be received by the Company no later than **10.00am (Port Moresby time | AEST) on Monday, 24 May 2021**, being 48 hours before the AGM.

### Impact of your Proxy Appointment on your Proxy Voting Instructions

If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 4, 5 and 6, then by submitting the proxy appointment you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution.

### The Chairman's voting intentions

The Chairman intends to vote undirected proxies on, and in favour of, each of the proposed resolutions.

### Questions from Shareholders

Shareholders who are unable to participate in the Meeting via the online platform, may prefer to register questions in advance, and are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select 'Voting' then click 'Ask a Question', or alternatively submit the enclosed **AGM Question Form**.

To allow time to collate questions and prepare answers, please submit any questions by 5:00pm (Port Moresby time | AEST) on Wednesday, 19 May 2021, (being no later than the fifth Business Day before the AGM is held).

Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Shareholders.

### **Enclosures**

Enclosed are the following documents:

- a *Voting Form* to be completed if you would like to be represented at the AGM by a proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Kina Securities Limited's share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to ensure the timely and cost effective receipt of your Voting Form;
- an *AGM Question Form* to be completed if you would like a specific question to be addressed by the Chairman of the Meeting or Deloitte (our external auditor) at the AGM; and
- a *Reply Paid Envelope* for you to return either or both the Voting Form and AGM Question Form.

**By order of the Board of Directors**



**Chetan Chopra**  
**Company Secretary**

23 April 2021

## Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist shareholders of the Company (**Shareholders**) in considering each of the Resolutions set out in the Company's Notice of Annual General Meeting. This Explanatory Memorandum forms part of the Company's Notice of Annual General Meeting to be held on Wednesday, 26 May 2021 at 10:00am (Port Moresby time | AEST).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions. The Company's Notice of Annual General Meeting and this Explanatory Memorandum should be read in their entirety and in conjunction with each other.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

Each of the Resolutions are Ordinary Resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the Resolution.

### BACKGROUND TO THE ITEMS OF BUSINESS

#### GENERAL BUSINESS

##### Receipt of the 2020 AGM Minutes

The Chairman will table the 2020 AGM Meeting Minutes dated 19 May 2020 as a correct record of the Meeting.

#### ORDINARY BUSINESS

##### Receipt of the financial statements and reports

The 2020 Annual Report, including the Financial Statements, Director's Report and the Auditor's Report included in the 2020 Annual Report (**Reports**), for the Company and its subsidiaries for the year ended 31 December 2020 are attached to this Explanatory Memorandum for the shareholders to read prior to the meeting. A copy of Kina's 2020 Annual Report can be downloaded on Kina's website at:

<http://investors.kinabank.com.pg/investors/?page=annual-reports>.

Neither the Companies Act nor the Company's Constitution requires Shareholders to vote on the Reports. However, Shareholders will be given a reasonable opportunity to ask questions on the Reports at the Meeting.

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Independent Auditor's Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the Auditor in relation to the conduct of the audit.

In addition to asking questions during the Meeting, Shareholders may address written questions to the Chairman of the Meeting about the management of the Company or to the Company's Auditor, Deloitte, using the enclosed AGM Question Form.

Shareholders must submit their written question(s) to the Company or to Deloitte, by 5:00pm (Port Moresby time | AEST) on Wednesday, 19 May 2021, (being no later than the fifth business day before the AGM is held, to the address listed on the Voting Form attached to this Notice of Meeting.

The Chairman will give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of any relevant written questions submitted by shareholders will be made available on the Company's website prior to the start of the AGM, and any written answer provided by the Auditor at the AGM will be made available to all Shareholders on the ASX and PNGX Announcements Platforms, as soon as practicable after the conclusion of the Meeting.

#### Resolutions

##### Resolution 1. Election of Director - Ila Temu

ASX Listing Rule 14.4 and PNGX Listing Rule 14.4 provide that a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) part the next annual general meeting of the Company.

Prior to Dr Temu's appointment, the Company completed several background and screening checks including in relation to Dr Temu's character's experience and qualifications, criminal history, bankruptcy with no adverse findings.

The Board also considered whether Dr Temu had any interest, position or relationship that may interfere with each of his independence as a Director, having regard to the relevant factors as set out in the ASX Corporate Governance Council Principles & Recommendations (4<sup>th</sup> edition) (**ASX Principles**). The Board considers that Dr Temu (if elected), will continue to be an independent Director.



## Director Profile

The Board appointed Ila Temu as a Non-Executive Director of the Company pursuant to Article 70.5 of the Constitution on 14 December 2020. In accordance with Article 70.5 of the Constitution, Dr Temu will retire from office and is eligible for election as a Director of the Company. If Shareholders do not approve the election of Dr Temu, then he will cease to be a Director of the Company at the conclusion of the AGM.

Dr Temu is the Executive Director (PNG) of Barrick (Niugini) Limited (**BNL**), a role he has held for some time now, which places him as one of the senior Managers within BNL Management. Dr Temu has held various senior roles with Placer Dome Niugini since 2000 including General Manager Government Relations, Director Corporate Affairs and Country Manager Tanzania. With Barrick Niugini Ltd, Dr Temu has held similar roles since 2006.

Prior to joining Placer Dome, Dr Temu was Managing Director of Mineral Resources Development Company (**MRDC**), a state-owned organisation that held PNG's equity in major mining and petroleum projects throughout PNG. He has also held senior positions within a number of public organisations, including a term as a Director of the National Research Institute in PNG, Research Director for the Pacific Islands Program at the Australian National University, Canberra and Senior Lecturer at the University of Papua New Guinea.

Dr Temu has also held a number of Board Directorships/Memberships in PNG including Dome Resources Ltd, MRDC, Kina Finances Ltd, PNG Incentive Fund, National Economic Fiscal Commission, Independent Public Business Corporation, the Employees Federation of PNG and Bank of South Pacific where he was Director for 13 years. He was Chairman of PNG Ports Corporation for five years, Chairman of Bank South Pacific (**BSP**) Capital for three years, and President of the Chamber of Mines and Petroleum for three years. He is currently a Director of Kina Petroleum Ltd, Director of Kumul Petroleum Holdings Ltd, and a Council Member of the Divine Word University.

Dr Temu holds a Bachelor of Economics from the University of Papua New Guinea, a Masters in Agricultural Development Economics from the Australia National University, Canberra Australia and a Ph.D in Agricultural Economics from the University of California, Davis, USA.

Dr Temu is a member of the Remuneration and Nomination Committee.

Prior to submitting himself for re-election, Dr Temu has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the election of Dr Temu as he will continue to contribute to the Board, significant experience in the areas of banking and financial services, leadership and commercial and financial acumen, strategy, governance and stakeholder engagement.

## Resolution 2 Re-election of Director - Jane Thomason

### General

In accordance with ASX Listing Rule 14.4, PNGX Listing Rule 14.4 and Article 70.6 of the Constitution, a director must not hold office (without re-election) past the third annual general meeting of Shareholders following the director's appointment or three years, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election. If Shareholders do not approve the re-election of Ms Thomason, then she will cease to be a Director of the Company at the conclusion of the AGM.

### Director Profile

Jane Thomason was appointed as a Non-Executive Director of the Company on 27 April 2018, pursuant to Article 70.5 of the Constitution. In accordance with Article 70.6 of the Constitution, Ms Thomason will retire from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company.

The Board considered whether Dr Thomason had any interest, position or relationship that may interfere with each of her independence as a Director, having regard to the relevant factors as set out in the ASX Principles. The Board considers that Dr Thomason (if re-elected), will continue to be an independent Director.

Dr Thomason has worked in international development and policy and implementation in the Asia Pacific region for 30 years. Her international career has included work for governments and donors including the Asian Development Bank, WHO, World Bank, USAID and AusAID.

As an entrepreneur and innovator, Dr Thomason has built a \$50 million revenue company and merged this with Abt Associates in 2013. Since the merger, Dr Thomason has led the growth and diversification of the company to achieve a tripling of revenue and diversification into new sectors and is now CEO of a \$200 million revenue company with 650 staff across Asia and the Pacific. She has held senior appointments including Queensland Director of Women's Health, CEO of the Queensland Royal Children's Hospital, Commissioner on the Commission of Inquiry into Child Abuse in Queensland, Chairman of the Wesley Hospital Board, Member of the Uniting Health Care Board, the International Operations Committee of the Red Cross, the Consultative Council of the Australian Centre for International Tropical Health and Nutrition and the Aid Advisory Council to the Australian Minister of Foreign Affairs and Trade (Alexander Downer), She has been a Member of the Burnett Institute Board, and an Adjunct Associate Professor at the University of Queensland.

Jane is an active role model for future women leaders and an active supporter of innovation and new technologies, especially blockchain, and their application to the problems of the poor.

Dr Thomason is Chair of the Remuneration and Nomination Committee.

Prior to submitting herself for re-election, Dr Thomason has confirmed that she would continue to have sufficient time to properly fulfil her duties and responsibilities to the Company.

The Board supports the re-election of Jane Thomason as she will continue to contribute to the Board, significant experience in the areas of leadership and commercial acumen, strategy, and people, culture & conduct.

### **Resolution 3 Appointment of Auditor**

This resolution is to appoint the Company's Auditor, Deloitte Touche Tohmatsu, to hold office from the conclusion of this Meeting until the conclusion of the Company's next Annual General Meeting, and to authorise the Directors to fix the fees and expenses of the Auditor, and is formally put to shareholders, in accordance with Sections 190 - 191 of the Companies Act.

*The Directors unanimously recommend Shareholders vote in favour of Resolution 3*

### **Resolution 4 Grant of Performance Rights to Managing Director and Chief Executive Officer for FY2020**

### **Resolution 5 Grant of Performance Rights to Managing Director and Chief Executive Officer for FY2021**

Shareholders are asked to vote on whether Mr Pawson, the Company's Managing Director and Chief Executive Officer (**MD & CEO**), should receive Performance Rights as part of his remuneration for the financial year ended 31 December 2020 and for the financial year ending 31 December 2021.

The Board believes that the MD & CEO's remuneration should be aligned to the long-term interests of shareholders. Accordingly, the Board believes that the MD & CEO should maintain a shareholding in Kina and that part of his remuneration should be in the form of equity that vests if certain conditions or hurdles are achieved.

The proposed awards of Performance Rights will be made under the Kina Performance Rights Plan - Short Term Incentive (**STI**) Award and the Kina Performance Rights Plan - Long Term Incentive (**LTI**) Awards. The Kina Performance Rights Plan (**Plan**) was re-approved by Shareholders at the AGM held on 19 May 2020 and the terms of the Plan Awards are summarised at a high level in this Explanatory Memorandum.

Each Right represents a right to be issued an ordinary share in the Company (**Share**) at a future point in time subject to the satisfaction of any conditions relating to vesting, performance hurdles and/or exercise. Awards under the Plan are expressed as a number of Performance Rights to acquire a certain number of Shares (generally on a one for one basis).

### **Why is Shareholder approval being sought?**

Shareholder approval is being sought to satisfy ASX Listing Rule 10.14 and PNGX Listing Rule 10.14, which requires shareholder approval if a director is issued securities under an employee incentive scheme. Accordingly, before any securities may be granted to the MD & CEO, the grants must first be approved by shareholders.

If shareholders approve Resolutions 4 and 5, the Company will be able to proceed with the Issuance to Mr Pawson of:

- a) 350,041 Performance Rights in relation to his FY2020 STI Award (Resolution 4);
  - b) 333,373 Performance Rights in relation to his FY2020 LTI Award (Resolution 4);
  - c) Performance Rights up to the value of A\$310,433 in relation to his FY2021 STI Award (Resolution 5); and
  - d) Performance Rights up to the value of A\$295,650 in relation to his FY2021 STI Award (Resolution 5),
- on the terms and conditions as set out in this Notice.

If shareholders do not approve Resolutions 4 and 5, the proposed Issuance of the above Performance Rights to Mr Pawson will not proceed, and the Board would need to consider alternative remuneration arrangements.

Further details of Mr Pawson's remuneration package are set out in the Remuneration Report contained in the Company's 2020 Annual Report, and available on Kina's website at:

<http://investors.kinabank.com.pg/investors/?page=annual-reports>.

### **Proposed grant of Performance Rights**

#### **FY2020 - STI**

The Board determined Mr Pawson's FY2020 STI Award, based on the performance of the Company and Mr Pawson for the financial year ended 31 December 2020 (**FY2020**). Mr Pawson is eligible for a STI Award of up to 150% of his annual salary. It is intended that Mr Pawson's FY2020 STI Award will be issued as 65% cash and 35% Performance Rights, subject to shareholder approval. The Board has assessed that based on the performance of the Company and Mr Pawson for FY2020, he will be awarded a STI Award of 150% of his base salary of \$591,300, being \$886,950, which will be paid as \$576,518 in cash and \$310,433 in Performance Rights, subject to shareholder approval.

Accordingly, shareholder approval is sought for the issuance of 350,041 Performance Rights (being Mr Pawson's FY2020 STI Performance Rights Award of A\$310,433, divided by the issue price of \$0.89 per share, being the 10 trading day volume weighted average price (**10-day VWAP**) of Kina Shares up to 31 December 2020.

#### **FY2020 - LTI**

Mr Pawson is eligible for a LTI Award of up to 50% of his base salary. The Board has assessed that based on the performance of the Company and Mr Pawson for FY2020, he will be awarded a LTI of 50% of his base salary of \$591,300, being \$295,650.

Accordingly, shareholder approval is sought for the issuance of 333,373 Performance Rights (being Mr Pawson's FY2020 LTI Performance Rights Award of A\$295,650, divided by the issue price of \$0.89 per share, being the 10-day VWAP of Kina Shares up to 31 December 2020).

#### **FY2021 - STI**

The Board will determine Mr Pawson's FY2021 STI Award based on the performance of the Company and Mr Pawson for the financial year ending 31 December 2021 (**FY2021**). Mr Pawson is eligible for a STI Award of up to 150% of his base salary. It is intended that Mr Pawson's FY2021 STI Award will be issued as 65% cash and 35% Performance Rights, subject to shareholder approval.

Accordingly, shareholder approval is sought for the issuance of Performance Rights up to the value of A\$310,433 (the actual number of Performance Rights to be allocated will be determined by dividing this amount by the 10-day VWAP of Kina Shares up to 31 December 2021).

#### **FY2021 - LTI**

Mr Pawson is eligible for a LTI Award of up to 50% of his base salary. The actual Award under the LTI Plan is yet to be determined but the maximum potential amount for award to Mr Pawson is A\$295,650. The method to be used to determine the actual award is set out below under *Long Term Incentive*.

Accordingly, shareholder approval is sought for the issuance of Performance Rights up to the value of A\$295,650 (the actual number of Performance Rights to be allocated will be determined by dividing the amount by the 10-day VWAP of Kina shares up to 31 December 2021).

It is common practice for ASX and PNGX Listed companies to seek approval for grants to be awarded to Directors prior to the end of the relevant financial year, in order to incentivise key executives for the following financial year. Accordingly, Kina is seeking approval for the award of Performance Rights to Mr Pawson for the period ending 31 December 2021.

#### **Short Term Incentive**

##### **Performance Hurdles for the STI**

Mr Pawson's potential STI Award is determined based on a number of financial and non-financial key performance indicators (**KPIs**). These include, achievement against the Board approved budget for the Performance Period, specific targets for net interest margins, income expense ratios, and growth in various parts of the business. Mr Pawson's performance is also measured against the Group's ability to comply with legislative and regulatory requirements set by the Bank of Papua New Guinea.

##### **Performance Periods**

The Performance Period for the FY2020 STI Award was 1 January 2020 to 31 December 2020 inclusive.

The Performance Period for the FY2021 STI Award is 1 January 2021 to 31 December 2021 inclusive.

At the end of the Performance Period, the Board determines the amount of Performance Rights that will be issued for that period. The number of Performance Rights to be allocated is then determined by dividing the monetary amount of Performance Rights by the 10-day VWAP of Kina Shares up to 31 December for the Performance Period. The Performance Rights are subject to vesting conditions, as set out below.

The Board has assessed that based on the performance of the Company and Mr Pawson for FY2020, he will be awarded a STI Award of 150% of his base salary of \$591,300, being \$886,950, which will be paid as \$576,518 in cash and \$310,433 in Performance Rights, subject to shareholder approval.

##### **Vesting conditions**

Performance Rights granted under the STI Award have a vesting period of two years from grant date. Vesting is conditional on the recipient remaining in employment for the two-year period.

#### **Long Term Incentive**

##### **Performance Hurdles for the LTI**

The Performance Rights are subject to two separate performance hurdles:

<b>Earnings per share (EPS) hurdle</b>	<b>Relative total shareholder return (TSR) hurdle</b>
50% of the Performance Rights	50% of the Performance Rights
Earnings per share growth targets ( <b>EPS Hurdle</b> ) for the relevant Performance Period are met	Total Shareholder Return targets ( <b>TSR Hurdle</b> ) for the relevant Performance Period are met

The EPS Hurdle and TSR Hurdle are considered appropriate measures of performance as they are intended to drive longer-term company performance.

##### **EPS Hurdle**

The EPS Hurdle has been determined with reference to the macroeconomic environment, relevant benchmarks and the Company's strategy.

No Performance Rights will vest if the compound annual growth rate is below 5%.

The EPS Hurdle for the Performance Period will be determined in accordance with the principles set out in the table below:

EPS Performance	Vesting outcome
<5% compound annual growth of EPS	Nil vesting
5%	50% vesting
>5% and <10%	Pro-rata between 50% to 100%
10%	100% vesting

### TSR Hurdle

50% of the Performance Rights will be subject to a relative TSR Hurdle, which compares the TSR performance of the Company with each of the entities in a comparator group within the S&P/ASX200 as determined by the Board.

In order for the Performance Rights to vest, the TSR of the Company is compared to a custom peer group of directly comparable companies. The group of companies is selected based on their operations in a similar industry and with a similar market capitalisation. The TSR of each of the entities in the comparator group will be measured from the start of the relevant Performance Period to the end of the Performance Period.

The TSR Hurdle for the Performance Period will be determined in accordance with the principles set out in the table below:

Relative TSR Performance	Vesting outcome
Below 50 <sup>th</sup> percentile	Nil vesting
At 50 <sup>th</sup> percentile	50% vesting
Between 50 <sup>th</sup> and 75 <sup>th</sup> percentiles	Pro-rata between 50% to 100%
Above 75 <sup>th</sup> percentile	100% vesting

### Performance Periods

The Performance Period for the FY2020 LTI Award is 1 January 2020 to 31 December 2022 inclusive.

The Performance Period for the FY2021 LTI Award is 1 January 2021 to 31 December 2023 inclusive.

The Board has assessed that based on the performance of the Company and Mr Pawson for FY2020, he will be awarded a LTI Award of 50% of his base salary of \$591,300, being \$295,650.

### Vesting conditions

Performance Rights granted under the LTI Award have a vesting period of three years from grant date. Vesting is conditional on the recipient remaining in employment for the three-year period.

### Further information

ASX Listing Rule 10.14 and PNGX Listing Rule 10.14, provide that a listed company may only permit a director to acquire shares or rights to shares under an employee incentive scheme where that director's participation has been approved by an ordinary resolution of shareholders.

Details of any securities issued under the Plan will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

In accordance with the ASX and PNGX Listing Rules, the following information is provided:

- The maximum number of Performance Rights which may be issued to Mr Pawson will be determined as follows:
  - FY2021 STI Award - the maximum value of Performance Rights is A\$310,433 (the actual number of Performance Rights to be allocated will be determined by dividing the amount by the 10-day VWAP of Kina Shares up to 31 December 2021); and
  - FY2021 LTI Award - the maximum value of Performance Rights is A\$295,650 (the actual number of Performance Rights to be allocated will be determined by dividing the amount by the 10-day VWAP of Kina shares up to 31 December 2021).
- The Performance Rights will be allocated at no cost to Mr Pawson and the Board has determined that no amount is payable by Mr Pawson on the vesting of each Performance Right or exercise of any Performance Rights granted under the Plans.
- Upon satisfaction of the performance hurdles/vesting conditions set by the Board, the Performance Rights will vest and shares will be allocated or issued on a one-for-one basis.
- There are no loans to be granted to Mr Pawson in connection with his participation in either the Kina Performance Rights Plan - STI Award or the LTI Award.
- Mr Pawson is the only director of Kina entitled to participate in the Plan. If shareholders vote in favour of Resolutions 4 and 5, no additional director who becomes entitled to participate in the Plan will participate until approval is obtained under ASX Listing Rule 10.14 and PNGX Listing Rule 10.14.
- If shareholder approval is obtained, the issue of Performance Rights (and the Shares underlying the Performance Rights) will be approved for the purposes of all applicable requirements under the ASX and PNGX Listing Rules and all other purposes.

7. Kina will issue the Performance Rights to be granted for FY2021 no later than 12 months after the 2021 AGM, that is by 26 May 2022.
8. Approval of Resolutions 4 and 5 will result in the grant of Performance Rights to Mr Pawson falling within ASX Listing Rule 7.2, exception 14. If approval is given for the issue of securities under ASX & PNGX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.
9. A voting exclusion applies to these Resolutions, as set out in the Notice of Meeting.

**The Directors, with Mr Pawson abstaining, unanimously recommend Shareholders vote in favour of Resolutions 4 and 5.**

#### **Resolution 6 Issue of Performance Rights under the Kina Performance Rights Plan**

The Company is proposing to issue 1,587,359 Performance Rights under the Kina Performance Rights Plan (**Plan**) (**Issue**), to the following members of the Company's senior executive team, who are considered by the Board to be the Key Management Personnel (**KMP**) of the Company, as part of their Short Term Incentive (**STI**) and Long Term Incentive (**LTI**) Awards for the financial year ended 31 December 2019 (**Eligible Participants**):

<b>Name of Eligible Participant</b>	<b>Number of Performance Rights to be Issued</b>
Chetan Chopra	307,584
Michael Van Dorssen	193,820
Deepak Gupta	176,967
Nathan Wingti	169,944
Ivan Vidovich	247,191
Johnson Kalo	155,056
Lesieli Taviri	127,528
Asi Nauna	103,651
Gavin Heard	105,618
<b>Total</b>	<b>1,587,359</b>

ASX Listing Rule 10.14 requires shareholder approval by ordinary resolution before any of the following persons can be issued securities under a listed entity's employee incentive scheme:

- a director;
- an associate of a director; or
- a person whose relationship with the listed entity, or the entity's directors or their associates is such that in the ASX's opinion, the acquisition of securities should be approved by shareholders.

As each of the Eligible Participants are members of the Company's senior executive team, and are considered by the Board to be the KMP of the Company, Resolution 6 seeks shareholder approval for the Issue to the Eligible Participants. Specific details of the proposed Issue are set out below.

If shareholders approve Resolution 6, the Company will be able to proceed with the Issue to the Eligible Participants, on the terms and conditions as set out in this Notice.

If shareholders do not approve Resolution 6, the proposed Issue to the Eligible Participants, the Issue will not proceed, and the Board would need to consider alternative remuneration arrangements. However, to ensure Kina can attract and retain the right talent and align the Company's KMP with those of shareholders, the Board considers it is important for Kina to offer incentives to its senior executives that are in line with market practice.

#### **Terms of the Kina Performance Rights Plan**

The terms of the Kina Performance Rights Plan are set out in the Plan Rules. The key elements of the Kina Performance Rights Plan (**Plan**) are as follows:

<b>Eligibility</b>	Participants must be a permanent full-time or part-time employee or Executive Director of Kina or any of its subsidiaries and has been determined by the Board to be eligible to participate in the Plan from time to time ( <b>Eligible Participant</b> ).
<b>Offers</b>	Under the rules of the Plan, Performance Rights may be offered to Eligible Participants from time to time. The number of Performance Rights the subject of an offer under the Plan will be determined by the Board (acting on the advice of the Remuneration and Nomination Committee).
<b>Terms and conditions</b>	The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the Plan, including: <ul style="list-style-type: none"> <li>▪ any conditions required to be satisfied before Performance Rights will be granted;</li> <li>▪ any performance, vesting or other conditions required to be satisfied before Performance Rights vest and may be exercised (<b>Vesting Conditions</b>);</li> <li>▪ any period during which Vesting Conditions must be satisfied before Performance Rights vest (<b>Vesting Period</b>);</li> <li>▪ the exercise period during which Performance Rights may be exercised, subject to the terms of the Plan and the offer (<b>Exercise Period</b>);</li> <li>▪ any applicable issue price and/or exercise price;</li> <li>▪ any disposal restrictions on Shares to be issued or transferred upon the exercise of Performance Rights; and</li> <li>▪ any other specific terms and conditions applicable to the offer.</li> </ul> The specific terms and conditions applicable to an offer must be set out in the offer invitation.
<b>Performance Rights</b>	Each Performance Right confers on its holder the entitlement to receive one Share (by way of issue or transfer) at the exercise price (if any) upon the exercise of the Performance Right.



<b>Ranking of Shares</b>	Shares issued upon vesting and or exercise of Performance Rights under the Plan will rank equally in all respects with Existing Shares.
<b>Forfeiture of Performance Rights</b>	Performance Rights which are subject to Vesting Conditions ( <b>Unvested Performance Rights</b> ) may be forfeited: <ul style="list-style-type: none"> <li>▪ if the Board determines that any Vesting Condition applicable to the Performance Right has not been satisfied in accordance with its terms or is not capable of being satisfied;</li> <li>▪ in certain circumstances if the participant's employment is terminated (<b>Cessation of Employment</b>); or</li> <li>▪ in other circumstances specified in the Plan rules (e.g. where the Board determines that the participant has committed an act of fraud or gross misconduct in relation to the affairs of Kina).</li> </ul>
<b>Rights attaching to Performance Rights</b>	The Performance Rights do not carry rights to dividends or voting rights prior to exercise.
<b>Capital reconstructions</b>	In the event of a capital reconstruction, subject to the ASX Listing Rules, the Board may determine the manner in which any or all of the Performance Rights will be dealt with.
<b>Vesting and exercise of Performance Rights</b>	If Performance Rights are offered subject to Vesting Conditions, Kina must give the participant a vesting notice upon such conditions having been satisfied or waived by the Board. Subject to any Vesting Conditions having been satisfied or waived, a Performance Right may be exercised in accordance with the relevant Eligible Participant's invitation and paying the exercise price (if any).
<b>Lapse of Performance Rights</b>	Unless otherwise specified in the Vesting Conditions or otherwise determined by the Board, a Performance Right will lapse on the earliest of: <ul style="list-style-type: none"> <li>▪ if the Board determines that any Vesting Condition applicable to the Performance Right has not been satisfied in accordance with its terms or is not capable of being satisfied;</li> <li>▪ the expiry of the exercise period (if any);</li> <li>▪ in certain circumstances if the participant's employment is terminated (<b>Cessation of Employment</b>);</li> <li>▪ in other circumstances specified in the Plan rules (e.g. where the Board determines that the participant has committed an act of fraud or gross misconduct in relation to the affairs of Kina); or</li> <li>▪ if the participant purports to deal in the Performance in breach of any disposal or hedging restrictions in respect of the Performance Right.</li> </ul>
<b>Restrictions on Performance Right</b>	Except as permitted by the Board, Performance Rights must not be sold, transferred, encumbered or otherwise dealt with. If restricted by applicable law, a participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to, any Performance Rights.
<b>Waiver of vesting conditions</b>	The Board has the discretion to reduce or waive a Vesting Condition attaching to an award of Performance Rights in whole or in part at any time.
<b>New issues</b>	A participant holding Performance Rights is not entitled to participate in any new issue of securities.
<b>Bonus issues, pro-rata issues and capital reorganisations</b>	The Plan provides for adjustments to be made to the number of Shares which an Eligible Participant would be entitled to receive on the exercise of Performance Rights or the exercise price (if any) of the Performance Rights in the event of a bonus issue or pro-rata issue to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.
<b>Winding up</b>	If a resolution for a voluntary winding up of Kina is proposed, the Board may, in its absolute discretion, determine the manner in which any or all of the participant's Performance Rights will be dealt with.
<b>Cessation of employment</b>	The Plan contains certain provisions concerning the treatment of vested and unvested Performance Rights in the event that a participant ceases employment.
<b>Change of control</b>	In the event of a change of control, the Board may, in its absolute discretion, determine the manner in which any or all of the participant's Performance Rights will be dealt with.
<b>Quotation</b>	Performance Rights will not be quoted on the ASX or PNGX. Subject to the ASX and PNGX Listing Rules, Kina will apply to the ASX and PNGX for the official quotation of any Shares issued to participants for the purposes of the Plan.
<b>Trustee</b>	Kina may appoint a trustee to acquire and hold Shares or Performance Rights (including unvested Performance Rights) on behalf of participants, for transfer to future participants or otherwise for the purposes of the Plan.
<b>Plan limit and compliance with laws</b>	No Performance Rights may be issued to, or exercised by, a participant if to do so would contravene the Australian Corporations Act, the PNG Companies Act, the PNG Securities Act, the ASX Listing Rules, the PNGX Listing Rules or any relief or waiver granted by ASIC, the Registrar, ASX or PNGX that binds Kina in making any offer under the LTI Plan or otherwise in connection with the operation of the Plan. No Performance Rights may be offered under the Plan if to do so would breach the 5% capital limit on the issue of shares set out in ASIC Class Order 14/1000 in relation to employee share schemes.
<b>Amendments</b>	Subject to the ASX Listing Rules and PNGX Listing Rules, the Board may, in its absolute discretion, amend the Plan rules, or waive or modify the application of the Plan rules in relation to a participant, provided that (except in specified circumstances) if such amendment would adversely affect the rights of participants in respect of any Performance Rights then held by them, the Board must obtain the consent of all participants who hold those Performance Rights before making the amendment.

## Additional Information

For the purposes of ASX Listing Rule 10.15, the following additional information is provided for shareholders.

- the Eligible Participants are members of the Company's KMP, and accordingly, shareholder approval for each of the Eligible Participants to acquire equity securities under the Plan, is required.
- the number of Performance Rights to be issued to the Eligible Participants at \$nil cost since listing of the Company on 30 July 2015 are as follows:

Name	Awards Granted	Awards Vested	Converted to Shares	Lapsed / Forfeited	Current Balance
Chetan Chopra	678,327	82,334	76,441	63,165	538,721
Michael Van Dorssen	661,793	193,255	150,802	85,646	425,345
Deepak Gupta	461,066	58,995	56,470	45,479	359,117
Nathan Wingti	187,630	37,953	24,962	12,991	149,677
Ivan Vidovich	26,923	0	0	0	26,923
Johnson Kalo	-	-	-	-	-
Lesieli Taviri	-	-	-	-	-
Asi Nauna	-	-	-	-	-
Gavin Heard	62,308	0	0	0	62,308

- the current total remuneration package for each Eligible Participant comprises:

Name	Fixed base salary	Variable STI	Variable LTI	Total
Chetan Chopra	400,000	325,000	160,000	885,000
Michael Van Dorssen	400,000	150,000	120,000	670,000
Deepak Gupta	350,000	150,000	105,000	605,000
Nathan Wingti	273,750 <sup>1</sup>	175,000	90,000	538,750
Ivan Vidovich	375,000	200,000	150,000	725,000
Johnson Kalo	292,000 <sup>1</sup>	120,000	96,000	508,000
Lesieli Taviri	292,000 <sup>1</sup>	50,000 <sup>2</sup>	96,000	438,000
Asi Nauna	200,750 <sup>1</sup>	75,000 <sup>3</sup>	66,000	341,750
Gavin Heard	220,000	80,000	66,000	366,000

<sup>1</sup> Exchange rate of 1 PGK / 0.3650 AUD

<sup>2</sup> Commenced 14/09/2020

<sup>3</sup> Commenced 12/10/2020

Further information regarding the remuneration of each Eligible Participant is set out in the Company's Remuneration Report which forms part of the 2020 Annual Report.

- The Performance Rights are not quoted on the ASX and carry no voting or dividend rights. Shares issued on vesting of the Performance Rights will rank equally with ordinary shares on issue. Performance Rights are considered by the Board to be an appropriate equity security under the Plan, as the vesting of those Performance Rights link directly to vesting conditions to be satisfied before fully paid ordinary shares are issued.
- The Performance Rights will be issued to each Eligible Participant on or about the date of the AGM, held annually in May, but in any event no later than 3 years after the date of the Meeting. In relation to the 1,587,359 Performance Rights for which shareholder approval is being sought, that would be no later than 26 May 2024.
- The issue price for the Performance Rights is nil and no money is payable by an Eligible Participant for a Share on the vesting of a Performance Rights.
- The terms of the Plan are set out in the Plan Rules. The key elements of the Plan are set out on pages 11 to 12 inclusive.
- No loans will be made in relation to the acquisition of the Performance Rights or Shares by an Eligible Participant.
- Details of any securities issued under the Plan will be published in Kina's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this Resolution 6 is approved and who are not named in this Notice will not participate until approval is obtained.
- A voting exclusion statement is set out in the Notice.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Kina without approval of shareholders in any rolling twelve-month period. However, Kina is permitted to issue shares (or other securities) in excess of the 15% limit if those shares or securities are issued in reliance on an exception to ASX Listing Rule 7.1 or the issue is approved by shareholders.

Resolution 6, if passed, will provide approval for this purpose in relation to both the Performance Rights and any Shares issued on vesting of those Performance Rights. If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in ASX Listing Rule 7.2.

***The Directors considers that the award of securities to the Eligible Participants an appropriate incentive in the best interests of Kina and therefore recommends that shareholders vote in favour of Resolution 6.***

#### **Resolution 7. Remuneration Report**

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into account in setting remuneration policy for future years.

Shareholders can view the full Remuneration Report in the 2020 Annual Report which is available on Kina's website at: <http://investors.kinabank.com.pg/investors/?page=annual-reports>.

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

***The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 7.***