

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

**TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE**  
**ANNUAL GENERAL MEETING OF MEMBERS**  
**TO BE HELD BY VIRTUAL ONLINE MEETING ON WEDNESDAY, 29 MAY 2024**  
**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**

29 APRIL 2024

Dear Shareholder,

### **Kina Securities Limited – 2024 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 2024 Annual General Meeting (**AGM** or **Meeting**), to be held as a virtual meeting online on **Wednesday, 29 May 2024 commencing at 10:00am (Port Moresby time | AEST)**.

#### ***Accessing the Notice of Meeting and Voting Form***

The formal Notice of Meeting has been released to ASX and PNGX and can also be accessed from our website at <https://investors.kinabank.com.pg/Investors/?page=agm>.

Your personalised Voting Form and a Question Form are enclosed with this letter.

#### ***Participating in the AGM***

Shareholders will be able to attend and participate in the AGM via our online platform at [https://meetings.linkgroup.com/KSL24\(Online Platform\)](https://meetings.linkgroup.com/KSL24(Online Platform)). Shareholders will be able to view the Meeting presentations, vote in real time and ask questions live during the meeting through the Online Platform.

You may submit questions prior to the AGM by logging into the Link Market Services website at <https://investorcentre.linkgroup.com> and following the instructions or submitting the enclosed AGM Question Form by 5:00pm (Port Moresby time | AEST) on Wednesday, 22 May 2024. Shareholders may also vote before the AGM online via the Link Market Services website or by lodging the enclosed Voting Form no later than 10:00am (Port Moresby time | AEST) on Monday, 27 May 2024.

Further details on how to participate in the AGM, including how to ask questions and vote via the Online Platform, are set out in the Notice of Meeting and Virtual Meeting Online Guide (**Online Guide**). The Online Guide has been released to ASX and PNGX and is available at <https://investors.kinabank.com.pg/Investors/?page=agm>.

I encourage you to read the Notice of Meeting (including the Explanatory Memorandum) and to vote in advance of the AGM, even if you intend to join us online on the day. Subject to the abstentions noted in the Explanatory Memorandum, the Directors unanimously recommend that Shareholders vote in favour of all resolutions.

On the day of the AGM, it is recommended that Shareholders and proxyholders log into the Online Platform at least 15 minutes prior to the scheduled start time of 10:00am (Port Moresby time | AEST). To access the Online Platform:

- Shareholders will need their Security holder Reference Number (SRN) or Holder Identification Number (HIN), which can be found on your Voting Form; and
- proxyholders will need their proxy code; which Link Market Services will provide via an email no later than 24 hours before the start of the AGM.

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,



**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 on:

**Date:** Wednesday, 29 May 2024

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

**Venue: Online:** at <https://meetings.linkgroup.com/KSL24>

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 2023 AGM Minutes

To receive, consider, and accept the Minutes of the Annual General Meeting held on 6 June 2023, as a correct record of the Meeting.

## ORDINARY BUSINESS

### Receipt of the financial statement and reports

To receive the 2023 Annual Report, including the Financial Statements, Directors' Report and Auditor's Report for the Company and its subsidiaries for the year ended 31 December 2023. A copy of Kina's 2023 Annual Report can be downloaded from Kina's website at <https://investors.kinabank.com.pg/Investors/?page=Reports-and-Presentations>.

## RESOLUTIONS

### Resolution 1 Re-election of Director- Dr Jane Thomason

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

*"That Dr 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 2 Re-election of Director- Richard Kimber

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

*"That Richard Kimber, being eligible and in accordance with Article 70.5 of the Constitution, hereby offers himself for re-election 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 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 FY2023

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

*"That, for the purposes of ASX and PNGX Listing Rules 10.14 and for all other purposes, the issue of 335,163 Performance Rights under the Kina Performance Rights Plan - FY2023 Short Term Incentive Award and 478,805 Performance Rights under the Kina Performance Rights Plan - FY2023 Long Term Incentive Award to the Managing Director and Chief Executive Officer, Mr Gregory Pawson, for the financial year ended 31 December 2023, in accordance with the rules of the Kina Performance Rights Plan, is approved."*

### Voting Exclusion Statement

1. In accordance with ASX and PNGX Listing Rules 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:
  - a) a person referred to in ASX and PNGX Listing Rules 10.14.1, 10.14.2 or 10.14.3 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 Resolution 4 by:
- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4 in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
  - b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4 in accordance with a direction given to the Chairman of the Meeting to vote on Resolution 4 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 4; and
    - ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **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 55.1 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 Link's online platform as the 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://meetings.linkgroup.com/KSL24>, 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, 27 May 2024, being two days before the 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 to be considered at the meeting **at any time between the date of this Notice of Meeting and 10.00am (Port Moresby time | AEST) on Monday, 27 May 2024**. 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://meetings.linkgroup.com/KSL24> will be able to vote directly **at any time between the commencement of the AGM at 10:00am (Port Moresby time | AEST) on Wednesday, 29 May 2024, 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 (Online Guide)**. The Online Guide will be filed with the ASX and PNGX and will also be available on our website at <https://investors.kinabank.com.pg/Investors/?page=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 Kina's website at <https://investors.kinabank.com.pg/Investors/?page=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 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, 27 May 2024**. After this time, you will still be able to vote during the AGM by submitting your direct vote during the Meeting using Link Group's online platform.

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

	<b>Australia</b>	<b>PNG</b>
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 Level 12, 680 George Street Sydney NSW 2000	PNG Registries Limited Level 4, Cuthbertson House Cuthbertson Street Port Moresby NCD
Online / Email:	<a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a>	<a href="mailto:pngregistries@linkgroup.com">pngregistries@linkgroup.com</a>
All enquiries to (telephone):	+61 1300 554 474	+675 321 6377 or 321 6378

### Power of Attorney

A Proxy Form and the original Power of Attorney (if any) under which the Proxy 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, 27 May 2024** 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 the resolutions, 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 attend or participate in the Meeting via the online platform, may prefer to register questions in advance, and are invited to do so. Please log onto <https://investorcentre.linkgroup.com>, select 'Voting' then click 'Ask a Question', or alternatively submit the **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, 22 May 2024, (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.

**By order of the Board of Directors**



**Johnson Kalo**  
Chief Financial Officer and Company Secretary  
29 April 2024

## 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, 29 May 2024 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.

Resolutions 1, 2, 3 and 4 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 2023 AGM Minutes

The Chairman will table the minutes of the 2023 AGM held 9 June 2023, as a correct record of the 2023 Annual General Meeting.

#### Receipt of the financial statements and reports

The 2023 Annual Report, including the Financial Statements, Director's Report and the Auditor's Report included in the 2023 Annual Report (**Reports**) for the Company and its subsidiaries for the year ended 31 December 2023 can be downloaded from Kina's website at <https://investors.kinabank.com.pg/Investors/?page=Reports-and-Presentations> and has been sent to those Shareholders who requested a copy.

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 and operations of, the Company more generally.

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 Reports or the management and operations of the Company or to the Company's Auditor, Deloitte, using the AGM Question Form as outlined above.

## RESOLUTIONS

### Resolution 1 Re-election of Director – Dr Jane Thomason

#### Background

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 Dr. Thomason, then she will cease to be a Director of the Company at the conclusion of the AGM.

#### Director Profile

Dr. Jane Thomason was appointed as a Director of Kina on 27 April 2018. Dr. Thomason is an entrepreneur and innovator, and has worked in international development implementation in the Asia Pacific region for over 30 years. Her international career has included work for governments and donors including the Asian Development Bank, WHO, World Bank, USAID and AusAID.

Since 2017, she has focussed on Fintech and Blockchain and is a thought leader in the applications of blockchain technology to solve social problems. She is the Co-Founder of the British Blockchain and Frontier Technology Association, Chair, Kasei Holdings Blockchain Securities, Aquis Stock Exchange London and is on the Editorial Board of Frontiers in Blockchain and Journal of Metaverse.



Dr. Thomason co-authored the books Blockchain Technologies for Global Social Change and Applied Ethics in a Digital World. She is a Thinkers 360 in the Top 50 Global Thought leaders and influencers on Blockchain and Sustainability.

Dr. Thomason is the 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.

### **Board Recommendation**

The Board supports the re-election of Dr Thomason as she will continue to contribute to the Board's significant experience in the areas of technology, digital, ESG Strategy, leadership and commercial acumen.

***For the reasons set out above, the Directors, with Dr. Jane Thomason abstaining, recommend Shareholders vote in favour of Resolution 1.***

## **Resolution 2 Re-election of Director- Richard Kimber**

### **Background**

In accordance with ASX Listing Rule 14.4, PNGX Listing Rule 14.4 and Article 70.5 of the Constitution, the Board may appoint a Director to fill a vacancy on the Board. A director appointed to fill the vacancy must not hold office (without re-election) past the next annual meeting of the Company at which the director will be eligible for re-election. If Shareholders do not approve the re-election of Mr. Kimber, then he will cease to be a Director of the Company at the conclusion of the AGM.

### **Director Profile**

Mr. Kimber is a seasoned international financial services and technology executive and director with over 30 years of experience having worked in Hong Kong, USA and the UK. His other board positions include ING Bank Australia (where he is Chairman of the Technology & Transformation Committee), Chairman of Stone & Chalk, Chairman of AustCyber and a Non-Executive Director of Daisee, an AI software company he founded in 2017.

Mr. Kimber's prior executive roles include being CEO of ASX-Listed OFX Group, a leading international payment company; Managing Director of Google in Southeast Asia (which included Australia and New Zealand); CEO of FirstDirect Bank in the UK; and several international roles with the HSBC Group, including as Global Head of Internet Marketing based in New York and the APAC leader for e-commerce based in Hong Kong.

Mr. Kimber is a member of the Remuneration and Nomination Committee.

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

### **Board Recommendation**

The Board supports the re-election of Mr. Richard Kimber as he will contribute to the Board's significant experience in the areas of banking and financial services, technology, leadership, commercial, and governance.

***For the reasons set out above, the Directors, with Mr. Richard Kimber abstaining, recommend Shareholders vote in favour of Resolution 2.***

## **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 recommend Shareholders vote in favour of Resolution 3.***

## **Resolution 4 Grant of Performance Rights to Managing Director and Chief Executive Officer for FY2023**

### **Background**

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 2023.

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 (**Plan**) - Short Term Incentive (**STI**) Award and the Kina Performance Rights Plan - Long Term Incentive (**LTI**) Award.

Each Performance 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 Resolution 4, the Company will be able to proceed with the issuance to Mr Pawson of:

- a) 335,163 Performance Rights in relation to his FY2023 STI Award; and
- b) 478,805 Performance Rights in relation to his FY2023 LTI Award,

on the terms and conditions as set out in this Notice.

If Shareholders do not approve Resolution 4, 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 2023 Annual Report, available on Kina's website at:

<https://investors.kinabank.com.pg/Investors/?page=Reports-and-Presentations>.

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

#### **FY2023 - STI**

##### *Determination of FY2022 STI Award*

The Board determined Mr Pawson's FY2023 STI Award based on the performance of the Company and Mr Pawson for the financial year ended 31 December 2023 (**FY2023**). Mr Pawson is eligible for a STI Award of up to 150% of his fixed base salary. It is intended that Mr Pawson's FY2023 STI Award will be issued as 65% cash and 35% Performance Rights, subject to Shareholder approval.

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. The Performance Period for the FY2023 STI Award was 1 January 2023 to 31 December 2023 inclusive.

The Board has assessed that based on the performance of the Company and Mr Pawson for FY2023, he will be awarded a STI Award equal to 100% of his base salary of \$750,000, being \$750,000, which will be paid as \$487,500 in cash (65%) and \$262,500 in Performance Rights (35%), subject to Shareholder approval.

##### *Calculating the number of Performance Rights for the FY2023 STI Award.*

The number of Performance Rights to be allocated is then determined by dividing the monetary amount of Performance Rights by the 10 trading day volume weighted average price (**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.

Accordingly, Shareholder approval is sought for the issuance of 335,163 Performance Rights (being the cash value of Mr Pawson's FY2023 STI Performance Rights Award of A\$262,500, divided by the issue price of A\$0.7832 per share, being the **10-day VWAP** of Kina Shares up to 31 December 2023).

##### *Vesting period and conditions for the FY2023 STI Award*

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. Therefore, provided Mr Pawson remains employed by the Company two years after the grant date, 100% of the Performance Rights granted under the FY2023 STI Award will vest on that date. Note that the cash component of his STI is paid following Board approval of the STI for the relevant year (ie, there is no two-year deferral period or further conditions applicable to the cash STI payment).

#### **FY2023 - LTI**

##### *Determination of FY2023 LTI Award*

Mr Pawson is eligible for a LTI Award of up to 50% of his fixed base salary, determined based on a number of financial and non-financial KPIs for the Performance Period. The Performance Period for the FY2023 LTI Award was 1 January 2023 to 31 December 2023 inclusive.

The Board has assessed that based on the performance of the Company and Mr Pawson for FY2023, he will be awarded a LTI equal to 50% of his base salary of \$750,000, being A\$375,000 in Performance Rights, subject to Shareholder approval.

#### *Calculating the number of Performance Rights for the FY2023 LTI Award*

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.

Accordingly, Shareholder approval is sought for the issuance of 478,805 Performance Rights (being the cash value of Mr Pawson's FY2023 LTI Performance Rights Award of A\$375,000, divided by the issue price of A\$0.7832 per share, being the 10-day VWAP of Kina Shares up to 31 December 2023).

#### *Vesting conditions for the FY2023 LTI Award*

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 Vesting Period (defined below) are met	Total Shareholder Return targets ( <b>TSR Hurdle</b> ) for the relevant Vesting 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% over the applicable Vesting Period.

The number of Performance Rights to vest at the end of the Vesting Period under the EPS Hurdle will be determined based on the table below:

<b>EPS Performance</b>	<b>Vesting outcome</b>
<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. The group of companies is selected based on their operations in a similar industry.

In order for the Performance Rights to vest under the TSR Hurdle, the TSR of the Company measured over the applicable Vesting Period is compared to the average TSR of the comparator group over that period (**Relative TSR Performance**).

No Performance Rights will vest if the Relative TSR Performance of the Company is below the 50<sup>th</sup> percentile.

The number of Performance Rights to vest at the end of the Vesting Period under the TSR Hurdle will be determined based on the table below:

<b>Relative TSR Performance</b>	<b>Vesting outcome</b>
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

#### *Vesting period for the FY2023 LTI Award*

Performance Rights granted under the LTI Award have a vesting period of three years commencing 1 April in the year granted (**Vesting Period**). At the end of the Vesting Period, the number of Performance Rights to vest under the EPS Hurdle and TSR Hurdle, respectively, will be calculated as described above. Vesting is also 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 ASX Listing Rule 10.14 and PNGX Listing Rule 10.14.

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

1. The number of Performance Rights which will be issued to Mr Pawson, subject to Shareholder approval, is as follows:
  - a) FY2023 STI Award – 335,163 Performance Rights; and
  - b) FY2023 LTI Award – 478,805 Performance Rights.
2. 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.
3. 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.
4. 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.
5. Mr Pawson is the only Director of Kina entitled to participate in the Plan. If Shareholders vote in favour of Resolution 4, no additional Director (or other person covered by ASX Listing Rule 10.14) who becomes entitled to participate in the Plan after the approval of this Resolution 4, will participate until approval for such participation is obtained under ASX Listing Rule 10.14 and PNGX Listing Rule 10.14.
6. If Shareholder approval is obtained, the issue of Performance Rights (and, upon vesting, 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. In accordance with ASX Listing Rule 10.15.7, subject to Shareholder approval being received, Kina will issue the Performance Rights to be granted for FY2023 no later than three years after the date of the 2024 AGM, being 29 May 2027.
8. Approval of Resolution 4 will result in the grant of Performance Rights to Mr Pawson falling within ASX Listing Rule 7.2, exception 14. If Shareholder 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.
10. The current total remuneration package for FY2023 for Mr Pawson is:

Fixed base salary	Variable STI <sup>1</sup>	Variable LTI <sup>2</sup>	Total <sup>3</sup>
A\$750,000	A\$1,125,000	A\$375,000	A\$2,250,000

- (1) Up to a maximum of 150% of fixed base salary.
- (2) Up to a maximum of 50% of fixed base salary.
- (3) Total potential reward based on 100% achievement of STI and LTI.

11. The number of Performance Rights issued to Mr Pawson at \$nil cost since listing of the Company on 30 July 2015 are as follows:

Awards Granted	Awards Vested	Converted to Shares	Lapsed / Forfeited	Current Balance
3,393,884	1,249,865	1,249,865	450,511	1,693,508

12. A summary of the material terms of the Kina Performance Rights Plan is included in Schedule 1.

## Board Recommendation

- The Non-Executive Directors consider that it is important to be able to attract and retain experienced and capable CEOs and the grant of Performance Rights to Mr Pawson is appropriate taking into account his level of experience and contributions to the Company.
- The Non-Executive Directors consider that the proposed number of Performance Rights to be granted to Mr Pawson is appropriate to:
  - motivate him to pursue the long-term growth and success of Kina (within an appropriate control framework);
  - align the interests of key leadership with the long-term interests of the Shareholders; and

- ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy.
- The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) note that equity-based remuneration can be an effective form of remuneration for executives when linked to hurdles that are aligned to short, medium and longer-term objectives.

***For the reasons set out above, the Directors, with Mr Pawson abstaining, recommend Shareholders vote in favour of Resolutions 4.***

## SCHEDULE 1

### Summary of the terms of the Kina Performance Rights Plan

A summary of the material terms of the Kina Performance Rights Plan (**Plan**) rules is 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>	<p>The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the Plan, including:</p> <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> <p>The specific terms and conditions applicable to an offer must be set out in the offer invitation.</p>
<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>	<p>Performance Rights which are subject to Vesting Conditions (<b>Unvested Performance Rights</b>) may be forfeited:</p> <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>	<p>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.</p> <p>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).</p>
<b>Lapse of Performance Rights</b>	<p>Unless otherwise specified in the Vesting Conditions or otherwise determined by the Board, a Performance Right will lapse on the earliest of:</p> <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.