



KINA ASSET MANAGEMENT LIMITED

Company No.1-61047

Securities Trading Policy

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Document Control

Document Information

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Document History

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Document Approval

ACTION	SIGNATURE	DATE
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1. Introduction

As a public company, Kina Asset Management Limited (**KAML** or the **Company**) is bound by Papua New Guinea (**PNG**) laws governing the conduct for buying, selling and otherwise dealing in securities.

1.1 Purpose

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

- explain the types of conduct in dealing in Securities that are prohibited under the *Capital Market Act 2015* and the Port Moresby Stock Exchange (**POMSoX**) Listing Rules. Such prohibitions apply to all Relevant Persons (see section 1.2.4) of the Company and its related bodies corporate, (collectively, the **KAML Group**); and
- establish a best practice procedure for the buying and selling of Securities that protects the Company, its directors and personnel against the misuse of unpublished information which could materially affect the value of Securities.

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

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

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

1.2 Definitions

For the purpose of this Policy:

1.2.1 Dealing includes:

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

1.2.2 Inside information includes:

- Information relating to KAML that is not generally available to the market
- matters of supposition and other matters that are insufficiently definite to warrant being made known to the public; and
- matters relating to the intentions, or likely intentions, of a person; and
- matters relating to negotiations or proposals with respect to -
 - (i) commercial dealings; or
 - (ii) dealing in Securities; and
- information relating to the financial performance of a corporation; and
- information that a person proposes to enter into, or has previously entered into one or more transactions or agreements in relation to securities or has prepared or proposes to issue a statement relating to such Securities; and
- matters relating to the future.

Information is generally available if the information has been made known in a manner that would, or would tend to, bring it to the attention of reasonable persons who invest in securities of a kind whose price or value might be affected by the information, and since it was so made known, a reasonable period for it to be disseminated among, and assimilated by, such persons has elapsed.

1.2.3 Securities includes:

- Shares issued by the Company.

1.2.4 Persons to whom this policy applies

Unless otherwise stated, this Policy applies to:

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

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

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

1.3 Restrictions on dealing in securities

1.3.1 No trading when in possession of inside information

All Relevant Persons must not deal in Securities where:

- they are in possession of inside information; or
- the Company is in possession of inside information and has notified Relevant Persons that they must not deal in Securities (either for a specified period, or until the Company gives further notice).

1.3.2 Other prohibited dealings - Blackout Periods

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

The following are mandated Blackout Periods:

- from the close of the trading day on 30 November each year, until the close of the trading day following the day on which the Company's full year results are released to POMSoX;
- from the close of the trading day on 31 May each year, until the close of the trading day following the day on which the Company's half-yearly results are released to POMSoX;
- from the close of the last trading day of each month, up to and including the next trading day after the Net Tangible Asset Backing per shares for that month-end is released to POMSoX; and
- any other period that the Board specifies from time to time.

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

1.3.3 Exceptional circumstances

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

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

(collectively, the **Approver**) for a waiver from compliance with the provisions of section 1.3.2 above.

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

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

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

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

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

If a waiver is granted, the Relevant Person will be notified in writing (including by email) (**Approval Notice**) and in each circumstance, the duration of the waiver to deal in Securities will be five business days or as otherwise nominated by the Approver.

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

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

1.4 Permitted dealings

Before any dealing in Securities is undertaken, the Relevant Person seeking to trade (Column A, below) must provide written notification to and seek approval for any proposed dealing in Securities from the person(s) approving the trade (Column B, below): Such approval is not to be unreasonably withheld and every endeavour should be made for the approval to be provided within one business day.

COLUMN A	COLUMN B
RELEVANT PERSON SEEKING TO TRADE (INCLUDING ANY CLOSELY RELATED PARTY)	PERSON(S) APPROVING THE TRADE
Directors of the KAML Group (including the CEO (if appointed))	The Chair of the Board
The Chair of the Board	The Chair of the Audit & Risk Committee
The CEO's direct reports, their direct reports, if appointed, any contractors or outsourced service providers, if appointed and any person designated by the Board under paragraph 1.2.4 of this Policy	The CEO. If no CEO is appointed, the Chair of the Audit & Risk Committee.

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

Relevant Persons must provide a copy of the Contract Note to the person who endorsed the transaction and the Company Secretary within two business days of the dealing. The Company Secretary will keep a record of this information.

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

1.5 Margin lending

Any dealing in Securities by Relevant Persons pursuant to a margin lending arrangement is not permitted. Such dealings would cover:

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

1.6 Hedging of Securities

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

Hedging of Securities by a Relevant Person is subject to the following overriding prohibitions:

- the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
- Securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
- Securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.

Relevant Persons are permitted to hedge their vested and unrestricted Securities on the following conditions:

- the hedge transaction is treated as a dealing in Securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
- the relevant requirements under 1.3.4 of this Policy have been satisfied.

Where a Relevant Person enters into a hedging arrangement in respect of Securities, the Company may, where appropriate, disclose the fact and nature of the hedge (e.g., in its annual report or to POMSoX).

1.7 Exclusions

The dealing restrictions of this Policy do not apply to:

- the following categories of passive trades:
 - acquisition of Securities through a dividend reinvestment plan;
 - acquisition of Securities through a share purchase plan available to all retail shareholders;
 - acquisition of Securities through a rights issue or other pro rata entitlement offer; and
 - the disposal of Securities through the acceptance of a takeover offer;
- dealings that result in no effective change to the beneficial interest in the securities (e.g. transfers of Securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary); and
- trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a Blackout Period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Blackout Period other than in exceptional circumstances.

1.8 Securities in other companies

In general, Relevant Persons are free to deal in securities in other POMSoX listed companies, but should note that the Capital Market Act 2015 contains various prohibitions on trading in other listed companies with which the Company may be dealing (including the Company's customers, contractors or business partners) where that person possesses inside information in relation to that other company.

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

1.9 Breach

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

1.10 Director notification requirements

Directors have agreed with the Company to provide details of changes in Securities they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible (and no later than five trading days after the change) to enable the Company to comply with its obligations under the POMSoX Listing Rules. If a change to a notifiable interest occurs during a Blackout Period, the Company must tell POMSoX that this is the case, whether prior written clearance for the relevant dealing was provided and the date of such clearance.

1.11 Insider trading

The requirements imposed by this Policy are intended to be consistent with relevant legal prohibitions set out in Division 2 of the Capital Market Act 2015 on insider trading attached as **Appendix A**.

1.12 Who to contact

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

1.13 Review of this Policy

The Board will review this Securities Trading Policy at least every second year, having regard to the changing circumstances of the Company.

Approved by the Board: 28 February 2019

Insider Trading Provisions extracted from the *Capital Market Act 2015*



<insert date> 2019

<insert name>

<insert address>

Dear <insert name>

Re: Kina Asset Management Limited (“KAML” or the “Company”) - Securities Trading Policy

The purpose of this letter is to provide you with a copy of KAML’s new Securities Trading Policy (see attached) as the Board has determined you to be a “Relevant Person” as defined therein.

Please sign and return a copy of this letter to this email address: Mareta.Moang@kinabank.com.pg to confirm receipt of the Company’s *Securities Trading Policy* and that you understand and will comply with the provisions stated therein.

Yours sincerely

Syd Yates
Director and Company Secretary

Relevant Person Acknowledgement:

<insert name>

Date