



# **SECURITIES DEALING POLICY**

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## Document Control

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# SECURITIES DEALING POLICY

## 1. INTRODUCTION

### 1.1 Mandate / Authority

1.1.1 Under the Papua New Guinea Capital Market Act 2015, Australian Corporations Act 2001 (Cth), PNGX Listing Rules, ASX Listing Rules, SPX Listing Rules and the listing rules of any other stock exchange on which Company Securities are listed (collectively, Listing Rules), the insider trading laws operate to prohibit people in possession of non-public price-sensitive information from dealing in securities or passing on the information to other people who may deal in securities.

1.1.2 The Board confers authority to Management to protect the reputation of BSP by significantly reducing the risk of non-compliance with BSP's internal and external obligations, and to promote honesty and integrity through the efficient management of compliance risk.

### 1.2 Link to other policies

This Policy should be read together with other BSP Group policies including the BSP Board Charter, the Corporate Governance Principles and Continuous Disclosure Policy.

## 2. OVERVIEW

### 2.1 Background

This document sets out the policy of BSP and BSP Group concerning dealing by **Restricted Persons** in Company Securities and securities of any other entities (**Policy**).

### 2.2 Objectives

This Policy is intended to:

- (a) ensure that all Restricted Persons and any entities controlled by a Restricted Person (and their associates) are aware of the insider trading laws as they apply to dealing in Company Securities;
- (b) protect the reputation of BSP, BSP Group and Restricted Persons by seeking to avoid the possibility that misconceptions, misunderstandings or suspicions might arise as a result of dealing by Restricted Persons and others who may be, or be perceived to be, in possession of inside information; and
- (c) impose additional restrictions on dealing in securities by Restricted Persons.

### 2.3 Purpose

2.3.1 Restricted Persons are in positions where it may be assumed that they may come into possession of **inside information** and, as a result, any dealing by Restricted Persons (or their Closely Connected Persons) may embarrass or reflect badly on them or on BSP or BSP Group (even if a Restricted Person has no actual **inside information** at the time).

2.3.2 This Policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise and also protect the reputation of BSP, BSP Group and Restricted Persons.

### 2.4 Definitions

Refer to Appendix A – Glossary. Defined words are capitalized throughout the Policy.

### 2.5 Scope

This Policy applies to all employees of BSP and BSP Group, including subsidiaries and joint ventures where BSP has a controlling interest. Where this Policy is inconsistent with an

applicable law, regulation or prudential standard within a relevant jurisdiction, the Policy applies only to the extent applicable.

## **2.6 Policy Statement**

It is the policy of BSP and BSP Group to protect BSP's reputation and ensure compliance with insider trading laws by establishing mechanisms wherein staff regarded as having access to Inside Information remain subject to additional restrictions on dealing in securities and do not use that Inside Information for self-gain.

## **3. REQUIREMENTS OF THE POLICY**

### **3.1 Insider Trading & Confidential Information**

3.1.1 If one has any Inside Information about BSP or BSP Group (or another relevant entity, such as a company with which BSP or BSP Group is considering a transaction) which is not publicly known, it is a criminal offence for one to:

- (a) trade in Company Securities (or securities of the other relevant entity);
- (b) advise or procure another person to trade in Company Securities (or securities of the other relevant entity); or
- (c) pass on Inside Information to someone else (including colleagues, family or friends) knowing (or where you should have reasonably known) that the other person may, or is likely to, use that information to trade in, or procure someone else to trade in, Company Securities (or securities of the other relevant entity).

3.1.2 This offence, called "Insider Trading", bears the following consequences:

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

3.1.3 The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is Inside Information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including BSP or BSP Group) and information which is insufficiently definite to warrant disclosure to the public.

3.1.4 Importantly, one need not be an "insider" to come across Inside Information. That is, it does not matter how one comes to know the Inside Information (for example, one could learn it in the course of carrying out one's responsibilities or in passing in the corridor or in a lift or at a dinner party).

3.1.5 All Directors, Employees and Third Parties who have entered into a confidentiality agreement with BSP or BSP Group also have a duty of confidentiality to the entity and must not reveal any confidential information concerning BSP or BSP Group, use that information in any way which may injure or cause loss to BSP or BSP Group, or use that confidential information for self-gain.

### **3.2 Trading Restrictions**

3.2.1 Each Restricted Person must ensure that:

- (a) any dealing by their Closely Connected Persons are undertaken in accordance with this Policy; and
- (b) his or her Closely Connected Persons are aware of this Policy and the restrictions it contains.

3.2.2 Restricted Persons **must not** deal in Company Securities:

- (a) without prior approval (see clause 3.4); and

(b) unless it falls within one of the Trading Windows.

3.2.3 All periods that are not Trading Windows are “closed periods” for the purposes of the Listing Rules, during which time Restricted Persons are prohibited from dealing in Company Securities (subject to the exceptions set out in clauses 3.6 and 3.7).

### **3.3 Opening of Trading Windows**

3.3.1 A Trading Window may be opened by a decision of the Board in consultation with the Company Secretary as designated under BSP's Continuous Disclosure Policy.

3.3.2 Once a Trading Window is opened, the Company Secretary shall:

- (a) issue written notification to Restricted Persons, either by email or by posting an announcement on BSP's intranet site; and
- (b) notify the share registries and brokers accordingly.

3.3.3 Restricted Persons may not assume that a Trading Window is open, even after the relevant results announcement.

3.3.4 A Trading Window may be varied, suspended or withdrawn by the Board at any time.

### **3.4 Prior Approval for dealing**

3.4.1 Before dealing in any Company Securities during a Trading Window and on the basis that the Restricted Persons do not possess any Inside Information, Restricted Persons must give notice and obtain approval as set out below.

3.4.2 Restricted Persons must notify BSP or BSP Group (whichever is applicable) in advance of any proposed dealing in Company Securities. The notification must be:

- (a) made in writing to the respective persons specified in clause 3.11 at least 5 Business Days prior to the proposed dealing taking place; and
- (b) provide details of the proposed dealing; and
- (c) contain any additional information or confirmation that may be requested by the Company Secretary (or company secretary of the respective subsidiary, as the case may be) from time to time; and
- (d) confirm that the Restricted Person does not hold any **Inside Information**.

3.4.3 Prior notification, its receipt, any acknowledgement of or response to any such notification is not an endorsement, approval or recommendation of the proposed dealing. Restricted Persons remain responsible for their own investment decisions and compliance with applicable laws and this Policy.

3.4.4 A response to a request for approval to deal must be given within 5 Business Days of the request being made.

3.4.5 If approved, the confirmation must specify a period of time of no more than 5 Business Days within which the dealing must be completed. For on-market dealings, execution must occur within the specific period but settlement may occur outside that period.

3.4.6 The Restricted Person may then undertake the proposed dealing upon:

- (a) provision of written notification specified in clause 3.4.2; and
- (b) receipt of written confirmation from the Company Secretary (or company secretary of the respective subsidiary, as the case may be) that there is no objection to the proposed dealing and that approval has been granted by the respective person specified in clause 3.11.

### **3.5 Requirements after dealing**

Once a Restricted Person has completed a dealing in Company Securities, he /she must:

- (a) advise the Company Secretary that the dealing has been completed; and
- (b) in the case of directors of BSP, provide the Company Secretary with sufficient information (generally the price and quantity of securities traded) to enable BSP to comply with the disclosure requirements to notify PNGX, ASX and SPX of a change of the director's interests.

### **3.6 Exceptions for certain dealings**

3.6.1 Restricted Persons may be permitted to trade Company Securities outside of the trading windows only in the following instances:

- (a) transfer of Company Securities to a Closely Connected Person or a Restricted Person's superannuation fund, in respect of which prior clearance has been obtained as set out in clause 3.4;
- (b) a disposal of Company Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) a disposal of rights acquired under a pro rata issue;
- (d) an acquisition of Company Securities under a pro rata issue;
- (e) where a Restricted Person has been granted approval to enter into margin lending or other secured financing arrangements (see clause 3.8.3), an involuntary disposal of securities that results from the margin lender or financier exercising its rights under the arrangement; and
- (f) under an employee incentive scheme in accordance with clause 3.9.

3.6.2 Restricted Persons must still comply with the insider trading laws even where they would otherwise be permitted by this clause to trade in Company Securities.

### **3.7 Exceptional circumstances & Waivers**

3.7.1 If a Restricted Person needs to deal in Company Securities due to exceptional circumstances but such dealing would breach this Policy, the Restricted Person must apply to the person specified in clause 3.11 for a waiver from compliance with the provisions in clauses 3.2 and 3.4.

3.7.2 Exceptional circumstances include severe financial hardship, compulsion by a court order or court enforceable undertaking, an overriding regulatory requirement to transfer or accept transfer, or any other circumstances that is deemed exceptional by the Restricted Person.

3.7.3 The Restricted Person seeking a waiver under this section must apply in writing to the person specified in clause 3.11 setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested.

3.7.4 A waiver will only be granted if:

- (a) the Restricted Person's application is accompanied by sufficient evidence (in the opinion of the person specified in clause 3.11 below) that the dealing of the relevant securities is the most reasonable course of action available in the circumstances and confirmation that the person does not possess inside information; and
- (b) the Restricted Person is selling not buying Company Securities.

3.7.5 A decision to grant a waiver may be given or refused by the person specified in clause 3.11, without giving reasons and may include conditions at BSP's absolute discretion. Once given, a waiver can also be withdrawn if new circumstances come to light.

3.7.6 If a waiver is granted, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 10 Business Days.

3.7.7 If a waiver is not granted, the Restricted Person must keep that fact confidential. A decision to refuse a waiver is final and binding.

3.7.8 Unless otherwise specified in the notice, any dealing permitted under this section must, to the extent applicable, comply with the other sections of this Policy.

### 3.8 Other Prohibitions

3.8.1 Restricted Persons must not trade in Company Securities on a short-term basis or for speculative trading gain, including on-market short-term buying and selling, forward contracts and short-selling. BSP considers "short-term" to be a period of 6 months or less.

3.8.2 A Restricted Person must not engage in transactions designed to hedge their exposure to Company Securities.

3.8.3 A Restricted Person must not enter into margin lending or other secured financing arrangements in respect of Company Securities, unless the prior approval of the Chairman (or his or her delegate) has been obtained.

### 3.9 Exercise of Performance Rights

If BSP has adopted and is utilising an employee incentive scheme under which Employees receive performance rights in the form of Company Securities, vested performance rights held pursuant to the scheme may be exercised in accordance with that scheme. However, any sale or other dealing in Company Securities acquired upon such exercise is subject to the restrictions in clauses 3.2 to 3.5 above.

### 3.10 Dividend Reinvestment Plan

If BSP has adopted and is utilising a dividend reinvestment plan, Directors and Employees who wish to participate in the plan may only lodge a participation notice to do so during a Trading Window.

### 3.11 Consents and Notifications

Where this Policy requires a notification to occur, or consent, or waiver to be obtained (unless the context requires otherwise) the following table sets out whom each Restricted Person must notify or seek approval from.

<b>Restricted Person</b>	<b>Person who can grant consent / approval / waiver</b>	<b>Person who must receive a copy of notification, waiver/response and confirmation that the proposed dealing has been completed</b>
Chairman	Chairperson of BSP's Board Audit and Compliance Committee (or his / her delegate)	Company Secretary
All directors of BSP (except the Chairman)	Chairman (or his / her delegate)	Company Secretary
All chairpersons of BSP Group	Chairperson of the respective subsidiary's Board Audit and Compliance Committee (or his / her delegate)	Company Secretary and where applicable, the respective subsidiary's company secretary
All directors of BSP Group (except the chairpersons)	Chairperson of the respective subsidiary board (or his / her delegate)	Company Secretary and where applicable, the respective subsidiary's company secretary
Independent Committee Members	Chairperson of the respective board committee (or his / her delegate)	Company Secretary and where applicable, the respective board's company secretary
All other Restricted Persons not specified above	CEO (or his / her delegate)	Company Secretary



### **3.12 Record Keeping**

Restricted Persons must keep, and make available to the Company Secretary (or company secretary of the respective subsidiary, as the case may be) on request, a register of dealings by themselves and their Closely Connected Persons, in the form of a record of every dealing, together with supporting material such as contract notes or their equivalent.

## **4. MAINTENANCE OF POLICY**

- 4.1 The Company Secretary and the Board will review this Policy every 2 years or earlier if required to ensure it remains current and effective.
- 4.2 Strict compliance with this Policy is a condition of employment. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.
- 4.3 Any breaches or non-compliance with this Policy must be escalated and reported to the Company Secretary.

## Appendix A

### GLOSSARY

<b>Term</b>	<b>Definition</b>
ASX	Australian Securities Exchange
BSP	BSP Financial Group Limited (parent company)
BSP Group	Any or all of BSP's wholly owned subsidiaries, as the context may require
Board	Board of Directors of BSP
Business Day	Calculated as a business day in Papua New Guinea
CEO	Group Chief Executive Officer of BSP
Chairman	Unless otherwise specified, refers to the chairman of the Board of BSP
Close Family Member	A spouse or de facto, any children (minor or adult) or parent of or living with the Restricted Person (including children of the Restricted Person's spouse or de facto)
Closely Connected Entity	Any family company or family trust that the Restricted Person or their close family member(s) may control or have an interest in
Closely Connected Person	A Close Family Member or Closely Connected Entity of a Restricted Person
Company Secretary	Company Secretary of BSP
Company Securities	Refers to Securities of BSP and its subsidiaries (in any jurisdiction), including BSP Convertible Notes Limited
Director	Unless otherwise specified, refers to a director of either BSP or a subsidiary which is part of BSP Group, as the context may require
Employee	For purposes of this policy, refers to an employee of BSP or BSP Group
Inside Information	<p>Information that:</p> <p style="margin-left: 40px;">3.2.1 is not generally available; and</p> <p style="margin-left: 40px;">3.2.2 if it were generally available, a reasonable person would expect that it would – or would be likely to – influence investors in deciding whether to buy or sell particular securities.</p> <p>Inside Information includes but is not limited to:</p> <ul style="list-style-type: none"> <li>(a) the financial performance of BSP or BSP Group against its budget;</li> <li>(b) a possible acquisition or sale of any assets by BSP or BSP Group;</li> <li>(c) a possible change in BSP's or BSP Group's capital structure;</li> <li>(d) a proposed dividend;</li> <li>(e) senior management changes;</li> <li>(f) development of a new business line or product offering; or</li> <li>(g) any possible claim against BSP or BSP Group or other unexpected liability.</li> </ul>
PNGX	Papua New Guinea National Stock Exchange

Restricted Person	<p>Any of the following:</p> <ul style="list-style-type: none"> <li>(a) all directors and officers of BSP including the Group CEO (if the Group CEO is not a Director) and the Company Secretary;</li> <li>(b) all directors and respective company secretaries of BSP Group;</li> <li>(c) all members of BSP's Executive Committee, who are identified by the Group CEO from time to time;</li> <li>(d) all General Managers, their executive assistants and Deputy General Managers;</li> <li>(e) all Country Managers and Country Heads;</li> <li>(f) all Business Unit Heads;</li> <li>(g) all Finance &amp; Planning staff involved with the preparation of BSP's financial records;</li> <li>(h) all employees who have knowledge, or information on BSP's financial performance, or any other operational information that could affect future performance, which other shareholders in the market are not aware of;</li> <li>(i) all Independent Committee Members; and</li> <li>(j) any BSP Employee designated by the Board from time to time.</li> </ul>
Securities	Shares, debentures, options to subscribe for new shares and options over existing shares, preference shares, warrant contracts and other derivatives relating to shares
SPX	South Pacific Stock Exchange
Trading Window	<p>Any of the following:</p> <ul style="list-style-type: none"> <li>(i) the 20 Business Day period commencing at 10:00 am (Sydney time) on the day after the release of BSP's full-year results announcement to both PNGX and ASX;</li> <li>(ii) the 20 Business Day period commencing at 10:00 am (Sydney time) on the day after the release of BSP's half-yearly results announcement to both PNGX and ASX;</li> <li>(iii) the 15 Business Day period commencing at 10:00 am (Sydney time) on the day after the release of BSP's Quarter 1 updates/results announcement to both PNGX and ASX;</li> <li>(iv) the 15 Business Day period commencing at 10:00 am (Sydney time) on the day after the release of BSP's Quarter 3 updates/results announcement to both PNGX and ASX; and</li> <li>(v) any other period that the Board specifies from time to time.</li> </ul>