



SECURITIES DEALING POLICY

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SECURITIES DEALING POLICY

1. INTRODUCTION

1.1 Introduction

This document sets out the policy of BSP and its related corporations (including BSP's subsidiaries registered outside Papua New Guinea) (**BSP Group**) concerning dealing by directors of BSP (**Directors**) and those BSP Group employees defined in section 6.2 below (**Employees**) in:

- (a) securities of BSP and its subsidiaries (in any jurisdiction), including BSP Convertible Notes Limited (**Company Securities**); and
- (b) securities of other entities,

(**Policy**).

If you do not understand any part of this Policy, the summary of the law below, or how it applies to you, you should raise the matter with your manager or the Company Secretary of BSP (**Company Secretary**) before dealing with any securities covered by this Policy.

1.2 Policy review

The Company Secretary and the Board of Directors of BSP (**Board**) will review this Policy annually to ensure it remains current and effective.

1.3 Related policies

This Policy should be read together with BSP's Continuous Disclosure Policy, BSP's Board Charter, BSP's Shareholder Communications Policy and BSP's Corporate Governance Principles.

2. RATIONALE FOR THE POLICY

Under the Papua New Guinea *Securities Act 1997* (**Securities Act**) and Australian *Corporations Act 2001* (Cth) (**Corporations Act**), 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.

This Policy is intended to:

- (a) ensure that all Directors, Employees and any entities controlled by a Director or Employee (and their associates) are aware of the insider trading laws as they apply to dealing in Company Securities; and
- (b) protect the reputation of BSP and its Directors and Employees by seeking to avoid the possibility that misconceptions, misunderstandings or suspicions might arise as a result of dealing by Directors and others who may be, or be perceived to be, in possession of inside information. This Policy seeks to do so by imposing additional restrictions on dealing in securities by Restricted Persons (as defined in section 6.2 below).

3. **MEANING OF SECURITIES**

For the purposes of this Policy, securities (including Company Securities) means and includes shares, debentures, options to subscribe for new shares and options over existing shares, preference shares, warrant contracts and other derivatives relating to shares.

4. **INSIDER TRADING LAWS**

4.1 **Prohibition**

In summary, if you have any **inside information** about BSP (or another relevant entity, such as a company with which BSP is considering a transaction) which is not publicly known, it is a criminal offence for you 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 will, 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).

4.2 **Consequences of insider trading**

This offence, called "insider trading", can subject you to:

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

4.3 **Inside information**

"Inside information" is information that:

- (a) is not generally available; and
- (b) 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.

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) and information which is insufficiently definite to warrant disclosure to the public.

Importantly, you need not be an "insider" to come across inside information. That is, it does not matter how you come to know the **inside information** (for example, you could learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).

4.4 Examples of insider trading

The following list is illustrative only. Inside information could include:

- (a) the financial performance of BSP against its budget;
- (b) a possible acquisition or sale of any assets by BSP;
- (c) a possible change in BSP's capital structure;
- (d) a proposed dividend;
- (e) senior management changes;
- (f) development of a new business line or product offering; or
- (g) any possible claim against BSP or other unexpected liability.

4.5 Insider trading is prohibited at all times

If you possess **inside information**, you must not buy or sell or otherwise deal in Company Securities, advise or get others to do so or pass on the **inside information** to others. This prohibition applies regardless of how you learn the information.

The prohibition on insider trading applies not only to information concerning Company Securities. If a person has **inside information** in relation to securities of another company, that person must not deal in those securities.

5. CONFIDENTIAL INFORMATION

Related to the above, Directors, Employees and entities controlled by Directors or Employees also have a duty of confidentiality to BSP. You must not reveal any confidential information concerning BSP, use that information in any way which may injure or cause loss to BSP, or use that confidential information to gain an advantage for yourself.

6. TRADING RESTRICTIONS IMPOSED BY THIS POLICY

6.1 Additional restrictions

Additional restrictions (described below) on dealing in Company Securities apply to Restricted Persons (as defined in section 6.2 below).

6.2 Restricted Persons

For the purpose of this Policy, **Restricted Persons** are:

- (a) all Directors and officers of BSP and its related corporations (including BSP's subsidiaries registered outside Papua new Guinea) (**BSP Group**) (including the Chief Executive Officer of BSP, if he or she is not a Director (**CEO**));
- (b) all members of the Executive Committee, who are identified by the CEO from time to time;
- (c) all General Managers and Deputy General Managers;
- (d) all Country Managers;
- (e) all Business Unit Managers;

- (f) all Finance & Planning Staff involved with the preparation of BSP's financial records; and
- (g) any BSP Directors or Employees designated by the Board from time to time.

6.3 Close family members and entities closely connected with Restricted Persons

For this Policy:

- (a) a **close family member** of a Restricted Person means a spouse or de facto, any minor children or children living with the Restricted Person (including children of the Restricted Person's spouse or de facto); and
- (b) a **closely connected entity** of a Restricted Person means any family company or family trust that the Restricted Person or their close family members¹ may control or have an interest in,

(together **Closely Connected Persons**).

Each Restricted Person must:

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

6.4 Reasons for additional restrictions

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 (even if a Restricted Person has no actual **inside information** at the time).

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

6.5 Restrictions on dealing

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

- (a) without prior approval (see section 6.8 below); and
- (b) unless it falls within one of the following trading windows (**Trading Windows**):
 - (i) the 40 day (calculated as business days in Papua New Guinea) (**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 POMSOX and ASX ;
 - (ii) the 40 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 POMSOX and ASX ; and
 - (iii) any other period that the Board specifies from time to time.

¹ Close family member is defined in paragraph (a) above.

All periods that are not a Trading Window are "closed periods" for the purposes of the ASX Listing Rules, during which time Restricted Persons are prohibited from dealing in Company Securities (subject to the exceptions set out in section 6.9 below).

6.6 Opening Trading Windows

A Trading Window may be opened by a decision of the Board in consultation with the Disclosure Officer designated under BSP's Continuous Disclosure Policy (**Designated Officer**).

If a Trading Window is opened, the Designated Officer will give Restricted Persons written notification of the Trading Window, generally by posting an announcement on BSP's intranet site.

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

A Trading Window will only be open if Restricted Persons have been notified of the opening of the Trading Window and have not been notified of any closing, suspension or withdrawal of the Trading Window.

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

6.7 No speculative short-term trading

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.

6.8 Prior clearance for dealing

Before dealing in any Company Securities during a Trading Window, Restricted Persons must have given notice and obtained approval as set out below (and on the basis that section 4.1 above does not apply).

Restricted Persons must notify BSP in advance of any proposed dealing in Company Securities. The notification must be:

- (a) made in writing to the person in section 7 below at least 5 Business Days prior to the proposed dealing taking place;
- (b) provide details of the proposed dealing;
- (c) contain any additional information or confirmation that may be requested by the Designated Officer from time to time; and
- (d) confirm that the Restricted Person does not hold any **inside information**.

Prior notification, its receipt, and 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.

Upon:

- (a) provision of notification; and

- (b) confirmation by the Company Secretary that there is no objection to the person dealing,

the Restricted Person may undertake the proposed dealing.

The confirmation may specify a period of time of no more than 20 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.

6.9 Exceptions for certain dealing

As an exception to the restrictions in section 6.5(b) above, Restricted Persons are permitted to trade Company Securities in the following circumstances:

- (a) transfers 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 section 6.8 above;
- (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 section 6.12 below), 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 section 7 below.

Restricted Persons must still comply with the insider trading laws even where they would otherwise be permitted by this section 6.9 to trade in Company Securities.

6.10 Exceptional circumstances

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 section 9 for a waiver from compliance with the provisions in sections 6.5(b) or 6.7 above.

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 person described in section 6.12 below.

The Restricted Person seeking a waiver under this section 6.10 must apply in writing to the person specified in section 9 below 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. 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 section 9 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.

A decision to grant a waiver may be given or refused by the person specified in section 7 below, 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.

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.

If a waiver is not granted, the Restricted Person must keep that fact confidential.

A decision to refuse a waiver is final and binding.

Unless otherwise specified in the notice, any dealing permitted under this section 6.10 must comply with the other sections of this Policy (to the extent applicable).

6.11 Requirements after dealing

Once a Restricted Person has completed a dealing in Company Securities, the Designated Officer must be:

- (a) advised that the dealing has been completed; and
- (b) in the case of Directors, provided with sufficient information (generally the price and quantity of securities traded) to enable BSP to comply with the requirements to notify a change of interests to POMSOX and ASX.

6.12 Hedging and margin lending transactions

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

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 of the Board (**Chairman**) (or his or her delegate) has been obtained.

7. 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 section 6.5 above.

8. 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.

9. CONSENTS AND NOTIFICATIONS

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

Restricted Person	Person to notify and obtain consent
Chairman	Board Audit Committee Chairman

Any other Director	Chairman (or his or her delegate)
Other Restricted Persons	CEO

10. **RECORD KEEPING**

Restricted Persons must keep, and make available to the [Company Secretary] 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.

11. **BREACHES OF THIS POLICY**

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.

12. **CONTACT**

Please contact the Company Secretary if you have any queries about this Policy.

Any guidance provided in or under this Policy does not affect individual responsibility.

Adopted by the Board on 3RD March 2017.