



CODE OF CONDUCT FOR DIRECTORS & EXECUTIVE MANAGEMENT TEAM

VERSION 3

BANK OF SOUTH PACIFIC LIMITED CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

This Code of Conduct document is a primary document of Bank of South Pacific Limited (“Company”) outlining the shared responsibilities of both Board members and executive management team members in ensuring professionalism, honesty and integrity in our dealings.

“Each of us is responsible for our own behaviour and we all need to take accountability for the behavioural choices we make. This Code is designed to help you make informed choices about your behaviour and to communicate our core values of team work, honesty and performances.”

Some examples of the way we achieve honesty and integrity in our actions include:

- We do not tolerate dishonest behaviour by our colleagues and subordinates
- We give accurate, honest and complete information to fellow Board and executive management team members, and other parties
- We do not use funds, information or property of the Company or its customers for our own benefit, nor do we assist others in such behaviour.

We Act With Honesty and Integrity

We are constantly judged by how we act. Our reputation will earn the respect it deserves if we act with honesty and integrity in all our dealings and do what we think is right at all times, within the legitimate role of the business.

Examples of the way we achieve this principle includes:

- We comply with our internal standards which help us meet our ethical, legal and regulatory obligations and minimise risk to ourselves and the Company.
- We respect the customs and business practices of Papua New Guinea and do not compromise the principles embodied in this Code.
- We discharge our authority (if any) to sign documents on behalf of the Company responsibly and our signature indicates that we have received and understood the nature of the document being signed and that it has been properly authorised.
- We do not act outside our authority.
- We notify the Company Board of any breach of the law by a colleague in the course of their term as Director or member of the executive management team or subordinates.

We Respect the Law and Act Accordingly

It is essential that we comply with the laws and regulations in Papua New Guinea and as they apply internationally. Violations of laws and regulations can have serious consequences for the Company and the individual concerned (including criminal and civil sanctions). We comply with laws and regulations, not simply because they are law but because it is right to do so. We will maintain sound relations with the Banking Supervisor and work with the supervisor to ensure the prudential soundness of the company.

In ensuring confidentiality is maintained and information is not misused, our behaviours includes the following:

- When we join the Company we commit to keeping confidential, information which we learn about the Company and our customers. We maintain this confidentiality even after we have left the Company.
- We do not encourage or pressure others to disclose confidential, sensitive or privileged information, including individual remuneration details.
- We do not use confidential information for personal gain, or for the gain of others such as friends, relatives or business associates.

We Respect Confidentiality and Do Not Misuse Information

We treat as confidential the Company's business affairs and those of our Customers and business associates. We comply with laws, which govern the use and disclosure of information.

Examples of the way we achieve this principle includes:

- We maintain and strive to improve the skills, knowledge and competencies that are required for our position.
- We work together as a team and treat each other with respect and dignity, striving for a safe, harmonious and efficient Board and Executive management Team.
- We limit any advice to customers to factual explanations which we are competent to provide, or to such financial or other advisory services that we are expressly authorised to provide.
- We are committed to diversity and equal employment opportunities.
- We do not tolerate harassment (including offensive language) or unlawful discrimination.
- We do not carry out our duties or responsibilities to the Company if we are under the influence of alcohol or other drugs.
- We do not initiate or perpetuate rumours.

- We do not seek company vehicles for private usage.

We Value and Maintain Our Professionalism

Professionalism is conduct, which fosters and preserves our reputation as individuals and the reputation of the Company. More than simply conducting ourselves ethically, it involves the pursuit of excellence, as we strive to achieve the highest quality in our work.

As Directors and employees we must always act in an ethical and professional manner. If we compromise this principle, we will lose the respect and confidence of our colleagues, customers and business associates.

In avoiding conflicts of interest some examples of our behaviour include the following:

- As Directors, we seek the Boards consent before accepting a Directorship on the Board of another company other than those identified in our initial "Disclosure of Interests" submitted pursuant to Section 118 of the Companies Act 1997.
- As Executive management team members, we seek the consent of the Chief Executive Officer before accepting a Directorship on the Board of another company.
- We disclose any material interests we have in our deliberative process as Directors or members of Executive management.
- As Executive management team members, we do not participate in business activities outside our employment with the Company that could adversely affect our ability to carry out our duties and responsibilities to the Company.
- We do not solicit, accept or offer money, gifts, favours or entertainment, which might Influence, or might appear to influence, our business judgment in relation to the Company.
- We notify the Corporate Governance and Nomination Committee of any breach of the Law by a colleague in the course of their term as Director or member of the Executive Management team.

We Avoid Conflicts of Interests

A conflict of interest occurs where a Director or member of senior management has personal or professional interest sufficient to influence, or appear to influence, the objective performance of their duties and responsibilities to the Company.

We do not participate in activities that involve and conflict with our duties and responsibilities to the Company, or which are prejudicial to the business of the Company.

Examples of behaviour of how we uphold this commitment include:

- We involve ourselves in and strive to make a contribution to the community (but consult the Board, if it appears that such activities may conflict with our duties or responsibilities to the Company).
- We consider the broader impact of our decisions on our colleagues and the community.

We Strive to be a Good Corporate Citizen and Achieve Community Respect

We uphold the Company's commitment to good corporate citizenship while pursuing its business objectives. Directors who breach this Code of Conduct may face disciplinary action including suspension and or removal as a Director. Executive Management Team members who breach this Code of Conduct may face disciplinary action and possible termination. We all have a responsibility to report breaches of the Code. If you are unsure whether any action is a breach, raise the matter with the Remuneration and Nomination Committee.