



Disclosure Framework

VERSION 1

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BANK OF SOUTH PACIFIC LIMITED

DISCLOSURE FRAMEWORK

The Bank has established this framework for the use and guidance for Board members and management in dealing with issues that involve disclosure to the Port Moresby Stock Exchange and investors.

Establish Policies and Procedures for Better Disclosure

The Bank has adopted a Shareholders Communications Policy that governs the its communications with shareholders. The policy is a public document and is published on the Bank's website and reproduced in the annual report.

Use Current Technology

The bank is committed to expanding its website to provide more relevant and appropriate information for its shareholders. In addition to the existing main menus of Business Banking, Personal Banking and Resources, a new Shareholders Information menu will be added that will incorporate a drop down menu including: -

- * Corporate Governance
- * Board Committees
- * Shareholders Communications Policy
- * Financial Results
- * Annual Reports
- * Investor Presentations
- * Media Releases
- * Current share price and trading history

Oversee and Coordinate Disclosure

The Company Secretary is responsible for compliance with continuous disclosure requirements, overseeing and co-coordinating release of information to POMSOX, investors and the media, and education of directors and staff on continuous disclosure principles and policy. The Company Secretary is also be responsible for ensuring all information on the website is up to date.

Authorise Company Spokespersons

Authorised spokespersons of the Bank are: -

- * Chairman or in his absence the Deputy Chairman
- * Managing Director or in his absence the Acting Managing Director

These officers are to restrict themselves to the information being the subject of the release, and should avoid commenting on other price sensitive matters.

The information to be released must be reviewed beforehand by the Company Secretary who will ensure that POMSOX disclosure requirements are complied with.

Monitor Disclosure

The Company Secretary will be advised of any information disclosures in advance in accordance with principle 4 above.

Releasing Company Information

Price sensitive information must be released through POMSOX before disclosing it publicly. This information should also be posted on the Bank's website in Media Releases after release to POMSOX.

Handling Rumours, Leaks and Inadvertent Disclosures

Responses to any rumours, leaks or inadvertent disclosures should be via the authorised spokespersons, with review by the Company Secretary. If the leak or inadvertent disclosure is in breach of POMSOX disclosure requirements, the Company Secretary will provide an explanation of the circumstances to POMSOX.

The response and the disclosure should also be posted on the website in Media Releases.

Reviewing Discussions

Briefings with analysts or the media should be the subject of post-briefing review to ensure that no price sensitive information has been inadvertently disclosed. If such a disclosure occurred it should be announced to POMSOX immediately and also posted on the website under Media Releases.

Presentations or slideshows used in briefings should be released to POMSOX and posted on the website under Media Releases.

Handling Unanticipated Questions

In interviews with analysts and the media only information that has been released publicly through POMSOX should be discussed. If the question can only be answered by disclosing price sensitive information, an answer should be declined. If appropriate the information being the subject of the question should be released publicly to POMSOX and posted on the website under Media Releases.

Responding on Financial Projections and Reports

Comment on market analyst's financial projections should be restricted to errors in factual information and underlying assumptions. Responses that indicate that the company's or the markets current projections are incorrect should be avoided.

The continuous disclosure regime should be used to establish to range within which earnings are likely to fall. Any change in these expectations should be disclosed publicly to POMSOX, investors and posted on the Bank's website under Media Releases.