

EXPLANATORY MEMORANDUM TO SHAREHOLDERS AT THE ANNUAL GENERAL MEETING TO BE HELD ON THE 25TH OF JUNE 2020.



The purpose of this Explanatory Memorandum is to provide shareholders with information to assist them in assessing the merits of the resolution contained in the accompanying Notice of Annual General Meeting of Shareholders of Credit Corporation (PNG) Limited (herein “Company”).

ITEM 1: 2019 ANNUAL REPORT

The 2019 Annual Report contains the Financial Statements, Directors Report, Auditors Report for the Company and its subsidiaries for the year ending 31 December 2019 and are attached to this Explanatory Memorandum for the shareholders’ perusal prior to the meeting.

The Company Constitution and the *Companies Act 1997* do not require shareholders to vote on this Report. Shareholders will be given an opportunity to raise questions or comments on the Report at the meeting. The Company’s Auditor KMPG will be available to answer any questions.

ITEM 2: RE-ELECTION OF DIRECTORS

Pursuant to Article 66 of the Constitution, the Board proposes the re-appointment of Ms. Faye-Zina Lalo, Mr Sydney Yates and Mr Richard Sinamoi as Directors of the Company. The Board considered these Directors have the required attributes to contribute to the development of the Credit Corporation Group of Companies.

(a) Ms Faye-Zina Lalo

Ms. Lalo was appointed by the Board on the 2nd of December 2016 as a Non-Executive Director. Ms Lalo has served her first term on the Board (3 years 1 month).

Ms. Lalo is a lawyer by profession, she holds a Law Degree and a Masters in Business Administration from the University of PNG. She is an experience commercial and corporate lawyer having worked for one of PNG big law firm – PKA Lawyers and later in the telecommunication industry. She is an experienced Director having served on other boards in the hospitality, insurance and sporting industries.

Pursuant to Article 66(1) of the Company’s Constitution and being eligible, Ms Lalo offers herself for re-election by the shareholders.

The Board recommends that Ms Faye-Zina Lalo be re-elected as a Director to the Company.

(b) Mr Sydney George Yates

Mr Yates was appointed by the Board on the 21st of May 2018 as a Non-Executive and Independent Director. Mr Yates has served a total of 2 years on the Board.

He is an experienced and respected Executive and Director with more than 30 years’ experience in the banking, finance and investment industries.

Mr Yates retired as CEO of Kina Group in January 2018 after 21 years and was the driving force behind Kina’s transition to Papua New Guinea’s largest diversified financial services group. He successfully listed Kina on the Australian Stock Exchange and Port Moresby Stock Exchange in 2015. He is currently a Director of Kina Funds Asset Management.

Pursuant to Article 66(2) of the Company's Constitution and being eligible, Mr Yates offers himself for re-election by the shareholders.

The Board recommends that Mr Sydney George Yates be re-elected as a Director to the Company.

(c) Mr Richard Sinamoi

Mr Sinamoi was appointed by the Board on the 21st of May 2020 as a Non-Executive and Independent Director. Mr Sinamoi has served 2 years on the Board.

Mr Sinamoi is an experienced Executive and Director with extensive experience in the superannuation and financial services industries.

He has served on Boards for both private and publicly listed commercial entities and charitable organisations, spanning a range of industries from food and beverage to micro banking and funds management.

Pursuant to Article 66(2) of the Company's Constitution and being eligible, Mr Sinamoi offers himself for re-election by the shareholders.

The Board recommends that Mr Richard Sinamoi be re-elected as a Director to the Company.

ITEM 3: TO APPOINT AUDITORS FOR 2020.

To appoint KPMG as the auditor for the Company commencing at the end of this meeting until the next annual general meeting of the Company and that the Board is authorized to fix the auditor's remuneration.

ITEM 4: ANY OTHER BUSINESS

To consider any other business.

A soft copy of our Annual Report can be downloaded from the Company's website: www.creditcorporation.com.pg.



SYD YATES

Chairman

Credit Corporation (PNG) Limited

29/05/2020