Information Memorandum

PGK 235,000,000.00 7.55% Subordinated Bonds due 2036

Issuer

Kina Securities Limited trading as Kina Bank

Arranger

Kina Securities Limited

16 March 2026 and amended 20 April 2026

Contents

Important Notice

The Bonds are subordinated and unsecured. There are risks associated with investing in the Bonds. See "Risk Factors" section.

Intending purchasers must be Eligible Investors, as defined in this document, and make their own independent investment decision and obtain tax advice in relation to the purchase of any Bonds.

This Information Memorandum contains only summary information concerning Kina Securities Limited (KSL or Kina Group). The information contained in this Information Memorandum is not intended to provide the basis of any credit, investment or other evaluation in respect of KSL or any Bonds and should not be considered or relied upon as a recommendation or a statement of opinion, or a report of either of those things, by KSL.

Any recipient of this Information Memorandum or any other information supplied in connection with the issue of the Bonds and each investor contemplating subscribing for, purchasing or otherwise dealing in the Bonds or any rights in respect of any Bonds should:

- **consult with their own legal, tax and other professional advisers concerning the implications of investing in and holding Bonds, including as an investment decision;**
- **make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of KSL and its affiliates;**
- **determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the issue of any Bonds, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and**
- **consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.**

The Bonds may not be offered, issued or sold to persons outside of Papua New Guinea.

Introduction

Kina Securities Limited trading as Kina Bank (“**KSL**” or the “**Issuer**”), a part of Kina Group (being the Issuer and its controlled entities), may offer from time-to-time subordinated Bonds (“**Bonds**”) as described in this Information Memorandum. KSL intends that the Bonds constitute Tier 2 Capital as described in the *Prudential Standards on Capital Adequacy (1/2003)* issued by the Bank of Papua New Guinea (“**BPNG**”) which apply to KSL.

Executive Summary

Issuer:	Kina Securities Limited
Instrument:	Unsecured, subordinated
Listing:	PNGX
Issue Size:	PGK 235,000,000.00. The minimum amount of the offer will be subject to KSL’s discretion
Term:	10 year non-call term in the first 5 years
Coupon:	7.55% fixed per annum, payable semi-annually
Issue Price:	100% of face value
Face Value:	Increments of PGK 50,000
Minimum Purchase:	PGK 250,000.00 (primary issuance and secondary trading)
Use of Proceeds:	The proceeds will be used to strengthen the bank’s capital base and support strategic growth
Settlement/Issue Date:	5 May 2026 – 8 May 2026
Maturity Date:	The date falling on the 10th anniversary of the date the Bonds are approved for trading on the PNGX Debt Market

This issuance reflects KSL’s commitment to maintaining a robust capital structure and diversifying funding sources. The bonds will be listed on PNGX, providing transparency and liquidity to investors. The offering is aligned with the company’s long-term strategy to optimize its balance sheet and support sustainable growth.

KSL’s responsibility

This Information Memorandum has been prepared by and issued with the authority of KSL. KSL accepts responsibility for the information contained in this Information Memorandum other than information provided by the Registrar and Principal Paying Agent (“**Agent”**) in relation to its description in the section entitled "Directory" below.

Place of issuance

Subject to applicable laws, regulations and directives, KSL will issue the Bonds in Papua New Guinea.

Terms and conditions of issue

This Information Memorandum summarises information regarding the issue of Bonds in the wholesale debt capital markets in Papua New Guinea. The terms and conditions (“**Terms**”) applicable to the Bonds are included in this Information Memorandum and contain details of the initial aggregate principal amount, interest (if any) payable, issue date and maturity date of the Bonds.

KSL may also publish a supplement to this Information Memorandum (or additional Information Memoranda) to supplement, amend, modify or replace any statement or information set out in this Information Memorandum.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to "**Information Memorandum**" are to this Information Memorandum and any document incorporated by reference and to any of them individually.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by KSL from time to time;
- the consolidated annual results of KSL for the financial year ending 31 December 2025 and 31 December 2024;

Any statement contained in this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement. The documents above may be found at https://investors.kinabank.com.pg/Investors/?page=Reports-and-Presentations

Except as provided above, no other information, including information on the internet sites of KSL or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum may be obtained from KSL and the Agent on request, including from their respective offices at the addresses set out in the section entitled "**Directory**" below.

No independent verification

The only role of the Agent in the preparation of this Information Memorandum has been to confirm to KSL its respective descriptions in the section entitled "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, the Agent has not independently verified the information contained in this Information Memorandum.

Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them as to the accuracy or completeness of this Information Memorandum or any further information supplied by KSL in connection with the issue of the Bonds (except for confirming their respective descriptions in the section entitled "**Directory**" below).

The Agent expressly does not undertake to review the financial condition or affairs of KSL or any of its affiliates at any time or to advise any holder of a Bond of any information which comes to their attention with respect to KSL.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning KSL. The information contained in this Information Memorandum is not intended to provide the basis of any credit, investment or other evaluation in respect of KSL or any Bonds and should not be considered or relied upon as a recommendation or a statement of opinion, or a report of either of those things, by KSL. Any recipient of this Information Memorandum or any other information supplied in connection with the issue of the Bonds and each investor contemplating subscribing for, purchasing or otherwise dealing in the Bonds or any rights in respect of any Bonds should:

- consult with their own legal, tax and other professional advisers concerning the implications of investing in and holding Bonds, including as an investment decision;
- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of KSL and its affiliates;

- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the issue of any Bonds, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and

- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal, regulatory or taxation treatment of investors or purchasers or any other matter in connection with an investment in any Bonds or rights in respect of them and each investor is advised to consult its own professional adviser.

Eligible Investors

The proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase Bonds made pursuant to this Information Memorandum may only be to "**Eligible Investors**" in Papua New Guinea. An Eligible Investor is defined under the Independent State of Papua New Guinea *Capital Market Act* 2015 ("***Capital Market Act***")[1] and the *Securities Commission (Wholesale Corporate Bonds excluded issues and offers) Order* 2022 ("***Order***") as:

- a holder of a capital market licence who carries on the business of dealing in securities or funds management;

- licensed financial institutions, insurance companies, superannuation funds, unit trust/ managed investment schemes in PNG;

- a person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than K250,000.00 for each transaction, whether such amount is paid for in cash or otherwise;

- an individual whose total net personal assets exceed K3,000,000.00

- a corporation with total net assets exceeding K10,000,000.00 based on the last audited accounts;

- a church group incorporated by legislation, or a land group incorporated under the *Land Groups Incorporation Act* 1974 (as amended from time to time); and

- fund managers who hold a capital market license and engage in the business of fund management.

Selling restrictions and no disclosure

This Information Memorandum is not a prospectus for the purposes of the *Capital Market Act*.

Given the offer of the Bonds is only to Eligible Investors, there is no requirement for KSL to lodge and register a prospectus.

No action has been taken which would permit an offering of the Bonds in circumstances that would require a prospectus under, and as defined in, the Capital Market Act. The distribution and use of this Information Memorandum, including any advertisement or other offering material, and the offer or sale of Bonds, is prohibited in any jurisdiction other than Papua New Guinea and intending purchasers and other investors should inform themselves about and observe such restriction.

None of KSL, the Arranger or the Agent represents that any Bonds may be lawfully offered for subscription or purchase or otherwise dealt with in compliance with any applicable registration or other requirements in any jurisdiction outside Papua New Guinea, or pursuant to an exemption available

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[1] Section 153 (2) and Schedule 9 of the Papua New Guinea *Capital Market Act* 2015

thereunder, or assume any responsibility for facilitating any such offering or other dealing. In particular, no action has been taken by KSL or the Agent which would permit a public offering of any Bonds in any jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Bonds, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Bonds, except if the offer or invitation, or distribution or publication, complies with all applicable laws, regulations and directives in Papua New Guinea.

Bonds will be offered by KSL via an application process. KSL will have the sole right to accept any such offers to purchase Bonds and may reject any such offer in whole or (subject to the terms of such offer) in part.

By its purchase and acceptance of Bonds, each Holder will be required to agree that it is an Eligible Investor, that it will observe all applicable laws, regulations and directives in Papua New Guinea and that it will not directly or indirectly offer, sell, resell, re-offer or deliver Bonds in any country or jurisdiction other than Papua New Guinea.

Distribution to Eligible Investors only

The Bonds may not be offered for sale or sold, and no advertising or offering material relating to the Bonds may be distributed, directly or indirectly, within the Independent State of Papua New Guinea or to residents of the Independent State of Papua New Guinea in breach of any provision of the Capital Market Act. This Information Memorandum is not intended for and should not be distributed to any person other than an Eligible Investor. Its contents may not be reproduced or used in whole or in parts for any purpose other than in connection with the issue of Bonds, nor furnished to any other person without the express written permission of KSL.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with KSL or the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by KSL or any Agent.

Agency and distribution arrangements

The Issuer confirms that no agency, underwriting, or distribution agreements have been, or will be, entered into in connection with the offering of the Bonds. The Bonds are being offered directly by the Issuer, and no person has been authorized to act as selling agent, underwriter, or distributor on behalf of the Issuer for the purposes of this issuance.

Currencies

In this Information Memorandum, references to "**PGK**" or "**Kina**" are to the lawful currency of Papua New Guinea.

Accuracy of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the issue of Bonds is correct as of any time subsequent to the Preparation Date or that there has been no change (adverse or otherwise) in the financial condition or affairs of KSL at any time subsequent to the Preparation Date.

In particular, KSL is under no obligation to update this Information Memorandum at any time after an issue of Bonds.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to accounts incorporated in this Information Memorandum, the date up to or as at the date on which such accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

References to internet site addresses

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Applications

Application for the Bonds may only be made on the Application Form which is appended to the Information Memorandum.

The Application Form must be complete in every respect and must be accompanied by payment for the number of Bonds for which application is made.

Lodgement of Applications

Completed Application Forms may be lodged via email to kslbond@kinabank.com.pg and salaniet.mathew@mpms.mufg.com together with proof of funds transfer for the amount of your intended investment and must be lodged before 5.00pm on 29 April 2026.

Applicants are encouraged to lodge applications early as KSL has the right to close the offer prior to the Closing Date and without notice.

Key Offer Features

The following is a summary of the principal features of the Bonds and the Offer. Terms defined under this summary or elsewhere in this Information Memorandum shall have the same respective meanings in the Terms.

The following summary is qualified in its entirety by the more detailed information appearing in the Terms set out in this Information Memorandum. If there is any inconsistency between this summary and more detailed information in the Terms, then the Terms shall prevail.

Issuer:	Kina Securities Limited trading as Kina Bank (**KSL**).
Bonds Offered	PGK 235,000,000.00 total aggregate principal amount of 7.55% Bonds due 2036. The minimum amount of the offer will be subject to KSL's discretion.
Offer to Eligible Investors only	The Bonds are only being offered and sold to Eligible Investors in Papua New Guinea, as defined in the Capital Market Act and the Order.
Issue Price	100% of Face Value
Face Value	Increment of PGK 50,000.00
Minimum Purchase	PGK 250,000.00 (primary issuance and secondary trading)
Denomination	PGK
Issue Date	5 May 2026 – 8 May 2026
Maturity Date	The maturity date of the Bonds will be the date falling on the 10th anniversary of the date the Bonds are approved for trading on the PNGX Debt Market.
Subordination	The Bonds will be unsecured subordinated term debt instruments. The rights and claims of holders of Bonds against KSL in respect of payments under the Bonds are subordinated to the claims of Senior Creditors. The Bonds are subject to limited Events of Default. The details of, and remedies for, Events of Default are contained in condition 10. KSL intends that the Bonds constitute Tier 2 Capital as described in BPNG's *Prudential Standard on Capital Adequacy (1/2003)*. Accordingly, KSL's obligations in respect of the Bonds will be subordinated in the manner provided in condition 11 of the Bonds. By subscription for or transfer of the Bonds, all Holders will be taken to have agreed to this subordination. Subordination will not result in deferral of all payments.
Interest	Each Bond will bear interest at a rate of 7.55% per annum on its Face Value from (and including) its Listing Date to (and including) its Maturity Date or any Redemption Date.

Interest Payment Dates

Interest on the Bonds will be payable semi-annually in arrear on and of each year, beginning on 6 months from listing on the PNGX, to persons in whose names the Bonds are registered at the close of business on the Record Date.

Deferral of Interest

Interest may be deferred if the "Solvency" condition is not met.

No amount is payable by the Issuer in respect of the Bonds unless, at the time of and immediately after the payment, the Issuer is Solvent. If all or any part of an amount of Interest that is due and payable is not paid because at the time of, and immediately after, payment of the amount of Interest the Issuer would not be Solvent, then, subject to condition 4.7, such unpaid amounts will accumulate. Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

See condition 4.7.

Redemption:

The Bonds will be redeemed by KSL on the Maturity Date.

KSL may redeem the Bonds at its option:

(a) on a Call Date (which will be no earlier than the fifth anniversary of the Listing Date);

(b) for regulatory reasons; or

(b) on the occurrence of a Change of Control.

In all cases, redemption is subject to the approval of BPNG. The amount received by holders of Bonds on redemption is limited to the Face Value outstanding in respect of the Bonds which may be less than the market value of the Bonds.

Potential investors should refer to condition 5 in relation to redemption and purchase of the Bonds.

Withholding taxes

All payments in respect of the Bonds must be made in full without set off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Bonds then the Issuer will deduct the amount for the Taxes if it is required to do so.

Registrar and Principal Paying Agent

PNG Registries Limited as registrar and paying agent in Papua New Guinea.

Form of the Bonds and delivery	Bonds will take the form of entries in a register. No certificate or other evidence of title will be issued unless KSL determines that certificates should be available or it is required to do so pursuant to all applicable laws, regulations or directives.
Selling restrictions	The Bonds may only be offered for sale or sold to Eligible Investors, and no advertising or offering material relating to the Bonds may be distributed, directly or indirectly, within the Independent State of Papua New Guinea or to residents of the Independent State of Papua New Guinea in breach of any provision of the Capital Market Act.
Listing	It is intended that the Bonds will be listed on the PNGX.
Governing law	The Bonds and the Deed Poll (as defined in the Terms) will be governed by Papua New Guinea law.
Risks:	The Bonds are subordinated securities and include features to comply with BPNG's requirements for regulatory capital for a bank. A potential investor should consider whether it has the knowledge and skill to evaluate the Bonds and the business and regulatory risks that may affect the Issuer and whether the Bonds are a suitable investment for it in all the investor's own circumstances. Please see "**Risk Factors**" section of this Information Memorandum.

Issue Timetable

Event	Date
Announcement of the offer	16 March 2026
Information Memorandum to be available to Eligible Investors only	16 March 2026
Application to PNGX for admission of the Bonds to be listed for quotation	24 March 2026
Subscriptions close	29 April 2026
Issue date and commencement of trading on PNGX	5 May 2026 – 8 May 2026
First Record Date	28 October 2026 – 2 November 2026
First interest payment date	5 November 2026 – 10 November 2026

How To Apply

The Offer
KSL intends to raise K235,000,000.00. The minimum amount is subject to KSL's sole discretion and the offer made under this Information Memorandum is open to all Eligible Investors in PNG.

Information Memorandum

The Information Memorandum is available in paper copy from the Issuer.

Application Form

Applications will only be accepted on the form attached to this Information Memorandum and only where it is completed in every respect. Officers of KSL are available to assist investors to complete the Application Form located at KSL Head Office. The investor contact officers in the KSL Head Office will not provide investment advice; their function is simply to ensure that the Application Form is complete in all respects.

Completed forms must be sent no later than the Closing Date at the address below:

- by email to kslbond@kinabank.com.pg; and
- by email to salaniet.mathew@mpms.mufg.com

You must attach proof of funds transfer for the amount of your intended investment to the Application Form.

Payments can be made to -

Bank: Kina Bank
Account Name: PNG Registries Limited Kina Securities Limited KSL Bond acc
Branch Code: 028-111
Account Number: 41356111
Reference: Company Name/Individual Name (must match details in application form)

Payments are held on trust

All Application Payments will be held on trust in a special account solely for this purpose by KSL and will be paid to KSL on completion of the issue. No interest will be paid on any money held in trust.

Refunds

If for any reason you are not allotted Bonds on the issue due either to scale back or an incomplete application your subscription will be refunded in full, but without interest, as soon as possible after the issue date.

Instructions for payment of interest

KSL's policy is to make payments of interest by direct credit to the bank account of applicants as set out in the Application Form. If the account details that you list in your application subsequently change, you should advise PNG Registries Limited.

PNGX Quotation
KSL will apply for admission of the Bonds to listing for quotation on PNGX within seven days after the date of this Information Memorandum. KSL cannot guarantee that PNGX will approve its application to list the Bonds for quotation but has no reason to believe that approval will not be forthcoming. It is expected that the Bonds will be issued and that trading in them on PNGX will commence on or before 8 May 2026. Holding Statements for the Bonds are expected to be sent out to Bondholders on or before 9 May 2026.

Closing Date
The Closing Date is last on which Applications will be accepted under the offer, expected to be 5.00pm (Port Moresby time) on 29 April 2026. KSL may close the offer early without notice.

Risk Factors

RISKS RELATED TO THE BONDS

Bonds may not be a suitable investment for all investors

The Bonds will constitute unsecured obligations of the Issuer. An investor in Bonds relies on the creditworthiness of the Issuer and no other person. The Bonds are not guaranteed or insured by any government, government agency or compensation scheme of the Independent State of Papua New Guinea or any other jurisdiction, or by any of the Issuer's subsidiaries or by any other person and do not represent deposits of any member of the Kina Group.

Investment in the Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Bonds. Each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should, without limitation:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant interest rates and financial markets;

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

- not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how such Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

The Issuer's obligations under Subordinated Bonds and Capital Bonds are subordinated

The Issuer's obligations under the Subordinated Bonds will be unsecured and subordinated and will rank junior in a winding up of the Issuer in priority of payment to the claims of all senior ranking debt, whether outstanding on the Issue Date or issued after the Issue Date.
Accordingly, the Issuer's obligations under the Bonds will not be satisfied unless the Issuer can satisfy in full all of its other obligations ranking senior to those Bonds. There is no restriction on the amount or terms of senior ranking, equal ranking or other securities which may be issued or incurred by the Issuer.

Interest on the Bonds may be deferred

Prior to a winding up of the Issuer, the obligations of the Issuer to make any payment in respect of the Bonds will be conditional on the Issuer being Solvent at the time of the payment and no payment in respect of the Bonds will be made unless the Issuer will be Solvent immediately after making the payment (the "Solvency Condition"). If on the date on which a payment under the Bonds falls due for payment, the Solvency Condition is not met or will not be met if such payment is made, the due date for payment of such amount shall be deferred until either there are no senior obligations of the Issuer outstanding or the Issuer is Solvent. There is a risk that the Issuer may cease to be Solvent and therefore a risk that interest may not be paid in full or at all.

The value of Bonds may be adversely affected by movements in market interest rates

Investment in Bonds involves the risk that if market interest rates subsequently increase relative to the rate paid on the Bonds, this will adversely affect the value of the Bonds.

There is no prior market for Bonds

The Bonds have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and may not be sustained. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Liquidity in secondary security markets generally may affect the secondary market for the Bonds

Potential investors in the Bonds should be aware of the potential for global credit market conditions to deteriorate, which may result in a severe lack of liquidity in the secondary market for instruments similar to the Bonds. As a result there exist significant additional risks which may affect the returns on Bonds to potential investors.

Risks related to the Issuer

By its nature the Group's activities are principally related to the use of financial instruments. The Kina Group accepts deposits from customers at both fixed and floating rates and for various periods and seeks to earn above-average interest margins by investing these funds in high quality assets. The Kina Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates whilst maintaining sufficient liquidity to meet all claims that might fall due. The Group raises its interest margins by obtaining above-average margins, net of provisions, through lending to commercial and retail borrowers with a range of credit standing. The Kina Group also enters into transactions denominated in foreign currencies. This activity generally requires the Kina Group to take foreign currency positions in order to exploit short-term movements to the foreign currency market. The Board places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. Risk in the Kina Group is managed by a system of delegated limits. These limits set the maximum level of risks that can be assumed by each operational unit and the Group as a whole. The limits are delegated from the Board of Directors to executive management and then to the respective operational managers.

A) **Market Risk** – Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads and equity prices will reduce the Kina Group's income or the value of its portfolios. The group is exposed to the following type of market risks:
   (i) Foreign exchange risk;
   (ii) Interest rate risk; and
   (iii) Equity price risk

B) **Credit Risk** - Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Kina Group. The Kina Group's main income-generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities) and investments in debt securities. The Kina Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

C) **Liquidity Risk** - Liquidity risk is the risk of being unable to meet financial obligations as they fall due. The Kina Group's liquidity and funding risks are governed by a policy framework which is approved by the Board of Directors. Liquidity and funding positions and associated risks are overseen by the Assets and Liability Committee (ALCO).

D) **Concentration Risk -**The Issuer's main business primarily operates in PNG and is therefore at risk in relation to adverse events that may occur in PNG, which may not be in its control. It is impacted by the performance of PNG's economy. Economic downturns or political and social instability in PNG may affect the ability of the Issuer to grow its business, which may adversely affect its profits, financial conditions or results of operations.

Event of Default Risk - the Bonds are subject to Events of Default. An investor's remedies are limited to: (i) instituting proceedings in a court of competent jurisdiction to recover any unpaid principal, Interest or other amount, subject to the Issuer being able to pay such amount and being Solvent after making that payment; or (ii) in the case of a winding-up Event of Default, instituting proceedings for a winding-up of the Issuer. No other remedy (including any right to sue for damages having the same economic effect as an acceleration of the Issuer's payment obligations) is available to investors as a consequence of an Event of Default. Potential investors should note that these limited remedies mean that, even following an Event of Default, there is no certainty that an investor will recover the amounts owing to it in respect of the Bonds, and any recovery will be subject to the subordination provisions set out in condition 11 of the Terms.

E) Change of Law Risk - the Conditions are based on the relevant law in effect as at the date of the issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision, change to law (including by an action of the PNG Government) or administrative practice after the date of issue of the Bonds**.**

Description of KSL

KSL Overview

Kina Securities Limited and its related entities (KSL, Kina, the Kina Group, the Group, or the Company) was established in 1985 as a diversified financial services company offering banking products, funds administration and wealth advice across Papua New Guinea (PNG).

Kina offers customers end-to-end financial solutions from savings accounts to business loans, investments to mortgages, financial advice and investment management. We are committed to delivering exceptional service and this is what sets us apart in the market. As the Licensed Fund Administrator for the three main super funds in PNG, Kina administers over 900,000 superannuation members accounts, with over K19 billion in funds under administration as at 31 December 2025.

Kina Securities Limited has two key divisions. Kina Bank and Kina Wealth. Kina Bank delivers home, business and corporate loans, everyday banking transactions, credit cards, merchant and payment facilities and banking services to smaller institutions. Kina Wealth encompasses Kina Investment and Superannuation Services, Kina Funds Management and Kina Nominees servicing funds administration, wealth advice, stockbroking, funds management and nominee custodial services

KSL is listed on both the PNG (PNGX: KSL) and Australian (ASX: KSL) stock exchanges.

KSL's Corporate Structure

The Group is controlled by KSL incorporated in PNG. KSL controls the following entities:

	Shareholding
Kina Securities Limited	Holding Company
Kina Funds Management Limited (KFM)	100%
Kina Investment and Superannuation Services Limited (KISS)	100%
Kina Wealth Management (KWML)	100%
Kina Nominees Limited (KNL)	100%
Kina Securities (Fiji) PTE Limited	100%

Key Management Personnel

The Group's Key Management Personnel (KMP) hold the authority and responsibility for planning, directing and controlling the activities of the Kina Group directly or indirectly. The KMP is comprised of the Non-Executive Directors, the Managing Director and Chief Executive Officer (MD & CEO) and the Senior Executive Team who are direct reports to the MD & CEO. The following individuals currently hold office:

Non-Executive Directors & the MD & CEO

Name and Role	Background
Ian Clough *Non-Executive Director and Chairman of the Board*	Ian Clough was appointed Chairman in April 2025 after joining the Board as a Non-Executive Director in July 2024 Mr Clough brings to Kina Bank over 30 years of experience in retail having worked with retail giants such as Target Australia, Coles Supermarkets, Coles Liquor and Kmart Australia holding senior management roles in those organisations. He also previously held various senior leadership roles with the Port Moresby Chamber of Commerce and Industry. He is currently the Chairman of Papua New Guinea's leading retail, wholesale and distribution firm, the Brian Bell Group, a director of the Sir Brian Bell Foundation, Vice President of the American Chamber of Commerce Coral Sea (AmCham) and a Council Co-Vice Chair of St Johns' Ambulance. Mr Clough is also the Honorary Consul General for Sweden, and Norway in PNG.
Ivan Vidovich *CEO & Managing Director*	Ivan Vidovich joined Kina Bank in 2019 as the Chief Transformation Officer (CTO), a role he held until his appointment as CEO and Managing Director of Kina on January 1st, 2025. Ivan brings over 25 years of senior leadership and executive experience across Australia, Asia, Europe, and the Pacific. His career spans both the financial services and logistics industries, with leadership roles at organisations such as Suncorp, TNT N.V., DBS Bank, and Kina Bank. Throughout his career, Ivan has successfully grown diverse P&L lines in mature and emerging markets, led multi-country transformation programs, and overseen large scale international sales, service operations, and cost structures. He also has deep expertise in group strategy, digital innovation, mergers and acquisitions, and strategic risk mitigation. Ivan holds a Bachelor of Arts from La Trobe University and is a member of the Australian Institute of Company Directors.
Andrew Carriline *Non-Executive Director* *Member of the audit and Risk Committee, Remuneration and Nomination Committee, and the Disclosure Committee*	Mr Andrew Carriline was appointed as a Director of Kina on 16 August 2018. Andrew is an experienced business executive, highly skilled at operating successfully in regulated environments. He was an executive at a major Australian bank, where until 2017 he was the Chief Risk Officer in the Institutional Bank, as well as Chairman of the bank's business in PNG. Since 2017, Andrew has accepted several non-executive roles in the 'for profit' and 'not-for-profit' sectors. Before his focus on purely risk roles, Andrew practised corporate law in the public and private sectors and has held several senior legal and operational roles. Andrew holds bachelor's degrees in law and commerce from UNSW and is a graduate member of the Australian Institute of Company Directors.
Jane Thomason *Non-Executive Director* *Chair of the Remuneration and Nomination Committee and Member of Transformation & Strategy Committee*	Dr Jane Thomason was appointed as a Director of Kina on 27 April 2018. An entrepreneur and innovator, Jane has worked in international development implementation in the Asia Pacific region for 30 years. Her international career has included work for governments and donors including the Asian Development Bank, WHO, World Bank, USAID and AusAID. Since 2017, she has focused on Fintech and Blockchain and is a thought leader in the applications of blockchain technology to solve social problems. She is the Co-Founder of the British Blockchain and Frontier Technology Association, Chair, Kasei Holdings Blockchain Securities, Aquis Stock Exchange, London, and is on the Editorial Board of both Frontiers in Blockchain and Journal of Metaverse. Dr Thomason co-authored the books Blockchain Technologies for Global Social Change and Applied Ethics in a Digital Age. She is a Thinkers 360 in the Top 50 Global Thought Leaders and Influencers on Blockchain and Sustainability.

Paul Hutchinson *Non-Executive Director* *Chair of the Risk Committee and Member of the Audit Committee*	Mr Paul Hutchinson was appointed as a Director of Kina on 16 August 2018. Paul is currently employed by the University of Adelaide in the capacity of Program Director, responsible for large scale organisation restructuring and major projects. Previously, Paul was the Managing Director and Chief Executive Officer of Rural Bank (specialising in the provision of financial services to the agribusiness sector), Chief Operating Officer of New Zealand Post and held various other senior appointments with Westpac, National Australia Bank and Bank of New Zealand. Paul's extensive background in strategy, finance, sales and distribution, commercial operations and risk management has been honed over 30 years in the financial services sector. He is a Fellow of the Institute of Financial Services and is a member of the Australian Institute of Company Directors, having attended both the Company Directors Course and International Company Directors Course.
Robert Nilkare *Non-Executive Director*	Mr. Robert Nilkare, OBE OL, is the PNG Country Manager and Group Advisor for Government and Corporate Stakeholder Interface for New Britain Palm Oil Limited, a major agribusiness institution in Papua New Guinea and one of PNG's largest private sector employers. Prior executive roles include President of Business Council of PNG, Executive Advisor and Project Manager for Kumul Consolidated Holdings, and Acting Chief Executive Officer and Board Director for PNG Ports Corporation Limited. Mr. Nilkare holds a Bachelor of Commerce from Bond University and is also a Graduate of General Manager Programs at the Australian Graduate School of Management, University of New South Wales. Mr. Nilkare formerly served as a Director on the Board of Mainland Holdings Limited. He is currently a Director of Brian Bell & Co. Limited and the Chairman of the PNG Palm Oil Producers Association.
Richard Kimber *Non-Executive Director* *Chairman of Transformation & Strategy Committee and Member of the Remuneration and Nomination Committee*	Richard is a seasoned international financial services and technology executive and director with over 30 years of experience having worked in HK, USA and the UK. His other board positions currently include ING Bank Australia, (where he is Chairman of the Technology & Transformation Committee), Chairman of Stone & Chalk, Chairman of AustCyber and a Non-Executive Director of Daisee, an AI software company he founded in 2017. Richard's prior executive roles include being CEO of ASX-listed OFX Group, a leading international payment company; Managing Director of Google in Southeast Asia (which included Australia and NZ); CEO of FirstDirect Bank plc in the UK; and several international roles with the HSBC Group, including as Global Head of Internet Marketing based in New York and the APAC leader for eCommerce based in Hong Kong..
Lutz Heim *Non-Executive Director*	Mr. Lutz Heim is a seasoned professional with deep roots in Papua New Guinea's financial and governance sectors, with prior roles as Chief Operating Officer for Kumul Consolidated Holdings and as a Tax and Corporate Finance Partner at Deloitte PNG. He holds a Bachelor of Economics and Postgraduate Diploma in Accounting from Flinders University, South Australia. Mr. Heim currently serves on the Board of St John Ambulance PNG and Kumul Hotels Limited. Prior to joining the Kina Board, Mr. Heim served as a director on the Boards of Nambawan Super Limited and First Investment Finance Limited.

Senior Executive Team

Name and Role	Background
Johnson Kalo *Chief Financial Officer and Company Secretary*	Johnson Kalo was appointed Chief Financial Officer and Company Secretary in March 2023. He previously held the role of Chief Information Officer. Johnson has substantial industry experience in Papua New Guinea having previously held the positions of Deputy Chief Executive Officer and Chief Financial Officer for BSP. His previous roles also include independent Director of the Board of Credit Corporation and Executive Director of the Port Moresby Stock Exchange (PNGX). He is a fellow of the Financial Services Institute of Australasia and an associate member of Certified Practising Accountants PNG. He holds a Bachelor of Arts in Commerce from the University of Papua New Guinea and a Post Graduate Diploma in Applied Financial Investment from the Financial Services Institute of Australasia.
Nathaniel Wingti *Executive General Manager Treasury& Financial Markets*	Nathan joined Kina in February 2016 as GM Treasury and Financial Markets. Prior to joining Kina, he spent 15 years at ANZ Bank where his last role was Head of Global Markets PNG and Balance Sheet Manager for ANZ across the Pacific. Nathan has 20 years' experience in foreign exchange, money markets and balance sheet management across the Pacific region having worked in PNG, Fiji and Australia. Nathan holds a Bachelor of Business from the Queensland University of Technology. He has also completed the AFMA Dealer Accreditation Program and the PNG Institute of Directors Program.
Rayeleene Elston *Executive General Manager Business and Retail Banking*	Rayeleene Elston joined Kina in February 2023 as Executive General Manager for Business Banking and Prime. In her role, she is responsible for the distribution of retail and business lending. Prior to joining Kina Bank, Rayeleene had a 30-year career in Banking in Australia. Her career began in Retail Banking, and she spent over 20 years as an Executive across Business Banking at National Australia Bank (NAB). Her last role at NAB was leading the Queensland central region Business Banking team that covered Commercial, Corporate, SME and Agribusiness. Her previous role was General Manager for Community Branches at Heritage. Rayeleene brings a deep knowledge of Business and Corporate Banking across multiple products, credit, and customer experience. She will be leading a key strategic project for Business Banking expansion into regional PNG over the next three years.
Aman Shandil *Chief Information Officer*	Aman joined Kina Bank in December 2023 as General Manager Technology. Prior to joining Kina, he held several senior technology leadership roles in Australia's financial services, retail and construction sectors such as Head of Portfolio Delivery, General Manager Application Delivery, and IT Service Management. Aman has over 25 years in the IT industry with qualifications in Industrial Engineering obtained from the Sydney Institute of Technology. Aman, a Fijian by birth now calls Australia home and is an avid follower of rugby league supporting the Canterbury Bulldogs. He is also a coach of junior cricket teams.
Ann Steele *Executive General Manager People & Culture*	Ann Steele joined Kina in March 2024 as the Executive General Manager People & Culture. With more than 30 years of work experience as a governance and strategic human resources executive, Ann has a diverse background in numerous sectors including finance, banking, investment, education, travel & tourism, manufacturing, properties, information technology, and most recently telecommunication. Ann holds a master's in management, plus tertiary qualifications in Political Science and Education. She is a member of various professional institutions and has completed the Australian Institute of Company Director's Program and currently sits on the Gaunavou Investments Board in Fiji, she has completed the Australian General Managers Program with the Australian Institute of Management and is a professionally trained mediator. Apart from her professional life she

	is heavily engaged in community groups and initiatives that help alleviate poverty and is keen in supporting organisations that restore culture, arts and tradition and is currently the Chairperson for Friends of the Fiji Museum. She also provides professional coaching and mentoring for upcoming HR professionals.
Shirly Prasad *Executive General Manager Payments & Digital Banking*	Shirly Prasad is a dynamic banking professional with over 20 years of experience in the financial services industry. With a proven expertise in digital transformation and operations management, she has a strong track record of enhancing business performance and customer satisfaction. Shirly joined Kina Bank in 2019 during the pivotal integration with ANZ. Initially working in the Finance team, Shirly transitioned to the Digital space, where she played a key role in expanding the digital business. Her efforts significantly elevated customer interaction and enhanced operational effectiveness. Prior to joining Kina Bank, Shirly worked at ANZ in Fiji, managing back-office functions for ANZ's Asia and Pacific Digital Channels Operations, focusing on reconciliation and operational excellence. Shirly's banking career began in Fiji, where she progressed through various roles, from customer service to managing back-office functions related to digital channels. This experience allowed her to gain extensive knowledge in customer relationship management and operational support, contributing to a high level of customer satisfaction.
Rina Antonio Jang *Chief Operating Officer*	Rina Antonio-Jang joined Kina Bank as the Chief Operating Officer in early May, 2025. Rina has extensive experience from her roles at ANZ Bank PNG, the University of the South Pacific and National MBf Finance Fiji Limited. At ANZ Bank PNG, she was the Chief Operating Officer since November 2020. In this role, Rina managed functions including customer on boarding, first-line assurance, payments and market operations, property, security, corporate support services, cash operations, the network extension partnership with Kina, and ANZ's technology team. Previously, she managed the property element of the transition of ANZ's retail business to Kina Bank in 2019. In her five years as ANZ PNG's COO, Rina was instrumental in implementing programs that improved customer experience, business efficiency and first-line risk capability and compliance. Rina holds a Master of Commerce, a Postgraduate Diploma in Management & Public Administration, and a Diploma in Project Management. Rina's highly developed leadership, coaching, and mentoring skills is invaluable to our team as Kina continues to build our culture and grow internal talent.
Paul Sayer *Acting Executive General Manager Wealth Management*	Paul Sayer joined Kina Bank in January 2026 as Acting Executive General Manager, Wealth Management. He brings extensive experience and a strong record of leadership to Kina. During his eight-year tenure as CEO of Nambawan Super Limited, Paul successfully doubled the fund's assets under management from K6 billion to more than K12.5 billion by 2025 while leading a major transformation and change program. With more than 30 years of experience across the superannuation and insurance sectors, Paul has held several senior roles within the Australian superannuation industry, including CEO of TWUSUPER and Chief Operating Officer at REST Super. Paul holds a Bachelor of Business and a Master of Business Administration from the University of Technology, Sydney. He also earned a Graduate Diploma in Organisational Leadership from the University of Melbourne. In addition, he is a Certified Practicing Accountant and a Fellow of the Australian and New Zealand Institute of Insurance and Finance.

Rayna Heckenberg *Chief Risk Officer*	Rayna Heckenberg was appointed as Kina Bank Chief Risk Officer (CRO) in November 2025. Rayna brings 25 years of executive-level experience in banking governance, risk and compliance, complimented by a diverse career also spanning insurance, stockbroking, treasury, and funds management. For the past 5 years, she has served as the Chief Risk Officer at Police Bank in Australia, where she played a pivotal role in advancing the organisation’s governance, risk and compliance frameworks. Before this, Rayna spent 18 years in senior leadership roles at both Commonwealth Bank of Australia and Westpac, where she oversaw various risk and compliance disciplines, and led significant transformation programs. Rayna holds a bachelor’s degree in commerce, specialising in Economics and Finance, from the University of New South Wales.

Strategic Overview to 2030

Purpose: Creating Brighter Futures.

Vision: To be the most trusted financial services partner for the people, communities, and the markets that we serve.

Strategic Priorities

Customer First
Dedicated to serving customers and improving what we do every day.

Growth through Innovation
Leading the market with innovation at the core of products, and services.

Empowered Team
Our team members have clear roles, are supported by leadership, and have opportunities to grow.

Serving Communities
Committed to enhancing prosperity for our stakeholders while making a positive impact in our communities.

Operational Excellence
Process improvements and digital solutions to enhance simplicity, efficiency and competitiveness.

Governance for Growth
Governance, Risk, and Compliance practices that demonstrate our responsibility and support sustainable growth.

2025 Financial Highlights

Financial Highlights

Statutory NPAT	Underlying NPAT	Revenue
K121m	**K126m**	**K546m**
+20%	+15%	+13%

Operating Costs	Return on Equity	Final DPS
K298m	**17.4%**	**19 toea**
+4%	+200bps	[6.5 cents] +25%

Operating Performance

- Underlying NPAT +15% to K126m driven by broad based revenue growth of 13%, moderate cost growth of 4%, and a 5% decline in the tax rate for banking operations.
- Statutory NPAT +20% to K121m including an additional tax expense of K5.5m reflecting a revaluation of Deferred Tax Asset due to the 5% reduction in tax rates from 40% to 35% in 2026.

- Additional provisions Both the Underlying and Statutory NPAT are after taking additional loan provisions of K19.7m, above the requirements of normal loan growth, to address a number of aged, non-performing loans.
- Loan growth and interest income Loan book growth of 13% to K3.3bn and strong returns on Government investments underpinned a 20% yoy increase in Net Interest Income to K268m, representing 49% of KSL's total revenues.
- Non-Interest Income +6% to K278m driven by 17% growth from foreign exchange, and 13% growth from digital channels; offset by reductions in non-operating income and valuation reductions from financial assets.
- Operating Costs +4% to K298m. Cost control enabled Kina Bank to increase its operating efficiency and resilience, lowering the cost to income to 55% from 59% in pcp.
- Balance sheet strength Capital adequacy of 17%, maintained within KSL's target range, providing capacity for growth and supporting risk weighted assets of K3.3b and total assets of K5.5b.
- Final dividend AUD 6.5 cents/PGK 19.3 toea, brings the full year dividend to AUD 11.0 cents/PGK 31.9 toea, representing a 22% increase in PGK dividend. This reflects a payout ratio of 77%, at the higher end of KSL's dividend policy, reflecting the material decline in the PGK / AUD rate.

Disclaimer: The results presented above are unaudited and are consistent with the information disclosed in our results release dated 27 February 2026.

Our full results release can be found at *https://investors.kinabank.com.pg/Investors/?page=asx-announcements*

Papua New Guinea Taxation

This is a general summary of certain PNG income tax considerations in connection with the payment of interest by the Issuer on Bonds. This summary assumes Bonds are only issued in PNG and does not address all aspects of income tax law. While this summary is considered to be a correct interpretation of existing laws in force on the date of this Information Memorandum, there can be no assurance that those laws or the interpretation of those laws will not change.

This summary does not discuss all of the income tax consequences that may be relevant to an investor in light of such investor's particular circumstances or to investors subject to special rules, such as superannuation funds, certain financial institutions or insurance companies. Prospective investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership or disposition of the Bonds . For the purposes of this summary, any reference to the purchase, ownership or disposition of the Bonds shall mean reference to the purchase, ownership or disposition of the Bonds or beneficial interests therein.

Holders who are companies resident in PNG

No withholding tax applies to the Issuer in respect of Holders which are companies resident in PNG.

Holders who are individuals, partnerships or trusts

Interest paid to Holders who are individuals, partnerships or trusts will be subject to a fifteen percent (15%) withholding tax which will be deducted by KSL.

For an individual Holder (but not a partnership or trust) the withholding tax may be allowed as a tax credit upon lodgement of an income tax return by the Holder.

Recovery directions by the Commissioner General of Taxation ("Commissioner")

The Commissioner may give a direction under Section 43(3) of the Tax Administration Act 2017 requiring the Issuer to deduct from any payment to any person or entity (including any Holder) any amount in respect of tax payable by that person or entity. If the Issuer is served with such a direction in respect of a holder of Bonds, then the Issuer will be bound to comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction.

Terms of the Subordinated Bonds

The following are the terms and conditions (**Terms**) of the Bonds due on the Maturity Date (the "**Bonds"**)

Each Holder, and any person claiming through or under a Holder, is entitled to the benefit of and are bound by all the provisions of the Deed Poll and is deemed to have notice of these Terms, the Information Memorandum and those provisions applicable to them which are contained in the agency and registry agreement dated 16 March 2026 (as amended and/or supplemented from time to time, the "**Agency Agreement**") relating to the Bonds between the Issuer and PNG Registries Limited in its capacities as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor as principal paying agent under the Agency Agreement) and as registrar (the "**Registrar**", which expression shall include any successor as registrar under the Agency Agreement), respectively. References to "Agents" mean the Principal Paying Agent and the Registrar, and any other Agent appointed from time to time under the Agency Agreement, and in each case includes their successors as Agents under the Agency Agreement. Copies of each of these documents are available for inspection by the holder of any Bond at the offices of the Issuer at its address set out in the section entitled "Directory" in the Information Memorandum at all reasonable times during its usual business hours (being between 9:00 a.m. and 3:00 p.m. on a Business Day in the place of its Specified Office) following prior written request and proof of holding and identity to the satisfaction of the Issuer or the Registrar.

1. Definitions and interpretation

1.1 Definitions

In these Terms, these meanings apply unless the contrary intention appears:

Agent means a party appointed by the Issuer to perform specific administrative functions under the terms of the Bonds. In this issuance, the **Principal Paying Agent** is responsible for managing the payment of interest (coupon) and principal amounts to Bondholders, maintaining payment records, and ensuring compliance with the payment schedule set out in the Conditions of the Bonds. The Principal Paying Agent acts on behalf of the Issuer and does not assume any obligations to Bondholders beyond those expressly stated in the agency agreement.

Applicable Regulations means such provisions of the PNGX Debt Market Rules, the *Capital Market Act*, the *Companies Act* and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer.

BPNG means the Bank of Papua New Guinea, who is the prudential regulation authority or any successor body responsible for the prudential regulation of the Issuer.

Business Day means for the purposes of calculation or payment of Interest or any other amount, a day on which banks are open for business in Papua New Guinea (not being a Saturday, Sunday or public holiday in that place).

Call Date means any Interest Payment Date occurring on or after the fifth (5th) anniversary of the Listing Date of the Bonds.

Capital Market Act means *Capital Market Act 2015* in Papua New Guinea.

a **Change of Control** occurs at the time that any person or any person and an associate of a person at any time:

(a) directly or indirectly owns more than fifty percent (50%) of the ordinary share capital of the Issuer; or

(b) has voting power in the Issuer of more than fifty percent (50%) and any agreement, arrangement or understanding under which voting power arises is not subject to a defeating condition.

Companies Act means the *Companies Act 1997* in Papua New Guinea.

Control has the meaning given in the *Companies Act*.

Controlled Entity means, in respect of the Issuer, an entity the Issuer Controls.

Day Count Fraction means, in respect of the calculation of Interest on a Bond for any period of time ("**Calculation Period**"), the actual number of days in the Calculation Period divided by 365.

Deed Poll means the deed of that name executed on behalf of the Issuer dated 16 March 2026.

Deferred Payment Date has the meaning given to it in condition 4.7.

Deferred Interest Rate means 7.55% per cent per annum.

Directors means some of all of the directors of the Issuer acting as a board.

Eligible Investor means:

(a) a holder of a capital market licence who carries on the business of dealing in securities or funds management;

(b) licensed Financial Institutions, insurance companies, superannuation funds, unit trust/ managed investment schemes in PNG;

(c) a person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than K250,000.00 for each transaction, whether such amount is paid for in cash or otherwise;

(d) an individual whose total net personal assets exceed K3,000,000.00

(e) a corporation with total net assets exceeding K10,000,000.00 based on the last audited accounts;

(f) a church group incorporated by legislation churches or a land group incorporated under the *Land Groups Incorporation Act 1974* (as amended or replaced from time to time);

(g) fund managers who hold a capital market license and engage in the business of fund management.

Event of Default means the happening of any event set out in condition 10.

Face Value means the nominal principal amount of a Bond, being PGK 50,000.

FATCA means provisions commonly referred to as the *Foreign Account Tax Compliance Act* provisions, and includes:

(a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986 or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between, the United States and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction.

Financial Institution means the Bank of Papua New Guinea and a bank or financial institution licensed under the *Banks and Financial Institutions Act*, 2000

Holder means, in respect of a Bond the person whose name is entered on the Register as the holder of that Bond.

Information Memorandum means the Information Memorandum dated 16 March 2026 relating to the offering and issuance of the Bonds as amended or replaced from time to time.

Interest has the meaning given in condition 3.1.

Interest Payment Date means the date on which interest (coupon) payments are made to bondholders. For this issuance, interest shall be payable semi-annually, occurring every six (6) months from the Listing Date, on each year, until the Maturity Date. If any Interest Payment Date falls on a day that is not a Business Day, payment will be made on the next succeeding Business Day without any additional interest.

Interest Period means, for a Bond, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

(a) the first Interest Period commences on (and includes) the Listing Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date or the Redemption Date.

Interest Rate means the rate specified in condition 4.2.

Issue Date means the date on which the Bonds are entered in the Register.

Issuer means Kina Securities Limited trading as Kina Bank.

Junior Subordinated Creditor means, in respect of the Bonds, all creditors of the Issuer whose claims against the Issuer rank, or are expressed to rank, after the claims of the holders of the Bonds (which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness provide that such indebtedness is undated or perpetual or otherwise of no fixed and determinable maturity and that, in the event of the liquidation of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer and all creditors of the Issuer referred to in the definition of Pari Passu Subordinated Creditors);

Kina Group means the Issuer and its Controlled Entities.

Listing Date means the date the Bonds are approved for quotation on the PNGX Debt Market.

Maturity Date means the date falling on the 10th anniversary of the Listing Date..

Meeting Provisions means the provisions for meetings of the Holders set out in Schedule 2 to the Deed Poll.

Pari Passu Subordinated Creditors means, in respect of the Bonds, all creditors of the Issuer whose claims as against the Issuer rank, or are expressed to rank, pari passu with the claims of the Holders of the Bonds and all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:

(a) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period and that, in the event of the liquidation of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer; and

(b) do not provide that, in the event of the liquidation of the Issuer, the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any other subordinated creditors of the Issuer to whom the Issuer is indebted on terms which conform to the description contained in this definition (including this paragraph (b)).

PNGX means the Papua New Guinea Stock Exchange operated by PNGX Markets Limited.

Prudential Standards means BPNG *Prudential Standard 1/2003 on Capital Adequacy*.

Record Date means, for payment of Interest, the date which is eight calendar days before the applicable Interest Payment Date.

Redemption means the redemption of a Bond in accordance with condition 5 and the words Redeem and Redeemed have corresponding meanings.

Redemption Date means, in respect of a Bond, the date, other than the Maturity Date, on which the Bond is Redeemed in whole.

Register means the register of Holders (established and maintained under clauses 4 and 5 of the Deed Poll) and, where appropriate, the term Register includes:

(a) a sub-register maintained by or for the Issuer; and

(b) any branch register.

Registrar means PNG Registries Limited or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement.

Secured Creditor/s means those creditors of the Issuer who have the benefit of security interests (such as charges, mortgages, pledges, or liens) over any assets of the Issuer or its subsidiaries to secure the repayment of their claims. In the event of insolvency, liquidation, or enforcement proceedings, Secured Creditors rank ahead of unsecured and subordinated creditors, including holders of the Bonds, to the extent of the value of the secured assets.

Senior Creditors means all creditors of the Issuer (present and future) other than:

(a) Holders;

(b) Pari Passu Subordinated Creditors; and

(c) Junior Subordinated Creditors.

A person is **Solvent** if:

(a) it is able to pay its debts when they fall due; and

(b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate.

Special Resolution means:

(a) a resolution passed at a meeting of the Holders duly called and held under the Meeting Provisions:

    (i) by at least seventy five percent (75%) of the persons voting on a show of hands (unless paragraph (b) below applies); or

    (ii) if a poll is duly demanded, then by a majority consisting of at least seventy five percent (75%) of the votes cast; or

(b) a resolution passed by written resolution under the Meeting Provisions by Holders representing (in aggregate) at least seventy five percent (75%) of the aggregate Face Value of the outstanding Bonds.

Specified Office means the office specified in the Information Memorandum as the address of the relevant party or person or any other address notified to Holders from time to time.

Subordinated debt means the obligations of the Issuer that rank below the claims of senior and unsecured creditors in the event of liquidation, insolvency, or winding-up. Holders of subordinated debt will only receive payment after all senior and other unsubordinated obligations have been satisfied. The Bonds constitute unsecured subordinated obligations of the Issuer and do not benefit from any security interest over the Issuer's assets.

Tax means a tax, levy, duty, charge, deduction or withholding, however it is described, that is imposed, together with any related interest, penalty, fine or other charge.

Terms means these terms and conditions of the Bonds.

Tier 2 Capital means Tier 2 capital as defined by BPNG in accordance with the Prudential Standards from time to time.

Unsecured and Unsubordinated Creditor/s means those creditors of the Issuer whose claims are not supported by any security interest over the Issuer's assets and rank ahead of subordinated obligations in the event of insolvency or liquidation. These creditors have priority over holders of the Bonds, which are subordinated, but rank behind any Secured Creditors to the extent of their security.

1.2 Interpretation

In these Terms, except where the context otherwise requires:

(i) the singular includes the plural and vice versa, and a gender includes other genders;

(ii) another grammatical form of a defined word or expression has a corresponding meaning;

(iii) a reference to a document includes all schedules or annexes to it;

(iv) a reference to a condition or paragraph is to a condition or paragraph of these Terms;

(v) a reference to a document or instrument includes the document or instrument as novated, amended, supplemented or replaced from time to time;

(vi) a reference to "**Papua New Guinea**" includes any political sub-division or territory in Papua New Guinea;

(vii) a reference to "**Kina**" or "**PGK**" or is a reference to the lawful currency of Papua New Guinea;

(viii) a reference to time is to Port Moresby, Papua New Guinea time;

(ix) other than where a contrary intention is expressed, if an event under these Terms must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the preceding next Business Day;

(x) a reference to a person includes a reference to the person's executors, administrators, successors and permitted assigns and substitutes;

(xi) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(xii) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(xiii) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions;

(xiv) any agreement, representation or warranty by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;

(xv) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;

(xvi) any provisions which refer to the requirements of BPNG or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity subject to regulation and supervision by BPNG at the relevant time;

(xvii) a reference to "Tier 2 Capital" shall, if the term is replaced or superseded in any of BPNG's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term;

(xviii) any provisions which require BPNG's consent or approval (written or otherwise) will apply only if BNPG requires that such consent or approval be given at the relevant time; and

(xix) any provisions in these Terms requiring the prior approval of BPNG for a particular course of action to be taken by the Issuer do not imply that BPNG has given its consent or approval to the particular action as of the Issue Date or that it will at any time give its consent or approval to the particular action.

2. Form of Bonds

2.1 Constitution under Deed Poll

The Bonds are unsecured, subordinated debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

2.2 Form and denomination

The Bonds are issued in registered form by entry in the Register on the Issue Date.

2.3 Face Value and restriction on issue

(a) The Bonds have a Face Value of PGK50,000 and are issued fully paid.

(b) The Bonds may only be issued in Papua New Guinea if the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Bonds is made to an Eligible Investor.

(c) The Bonds may not be offered, issued or sold to persons outside of Papua New Guinea.

2.4 Currency

The Bonds are denominated in Kina.

2.5 No certificates

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

2.6 No other rights

The Bonds confer no rights on a Holder:

(a) to vote at any meeting of shareholders of the Issuer;

(b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or

(c) to otherwise participate in the profits or property of the Issuer,

except as expressly set out in these Terms and the Deed Poll.

3. Status and ranking

3.1 Status and ranking

The Bonds constitute direct and unsecured subordinated obligations of the Issuer, ranking for payment of Interest and for repayment of principal in a liquidation of the Issuer:

(a) ahead of claims of holders of ordinary shares in the Issuer;

(b) ahead of Junior Subordinated Creditors;

(c) equally without any preference among themselves;

(d) equally with the claims of all Pari Passu Subordinated Creditors; and

(e) behind the claims of Senior Creditors.

3.2 Not guaranteed and not deposits

The Bonds are not guaranteed by any member of the Kina Group or any other person. The Bonds do not collectively or individually constitute a deposit with the Issuer.

4. Interest

4.1 Interest

(a) Each Bond bears interest (**Interest**) on its Face Value from (and including) its Listing Date to (and including) its Maturity Date or any Redemption Date at the Interest Rate. For the avoidance of doubt, no Interest shall accrue on any Bond prior to the Listing Date.

(b) Subject to condition 4, Interest is payable in arrear on each Interest Payment Date up to and including the Maturity Date.

(c) If the Bonds are Redeemed on a day that is not an Interest Payment Date, the amount of Interest that will be payable will be adjusted to reflect the number of days in the Interest Period in which the Interest accrued, based on the Day Count Fraction.

4.2 Interest Rate

The Interest Rate applicable to a Bond for each Interest Period is 7.55% per annum.

4.3 Calculation of Interest amount

The amount of Interest payable on each Bond for an Interest Period is calculated according to the following formula:

$$\textbf{Interest payable} = \frac{\textbf{Interest Rate x Face Value x N}}{\textbf{365}}$$

where:

N means, in respect of:

(i) the first Interest Payment Date in respect of a Bond, the number of days from, and including, its Listing Date to, but excluding, that first Interest Payment Date; and

(ii) each subsequent Interest Payment Date, the number of days from, and including, the preceding Interest Payment Date to, but excluding, that Interest Payment Date or, in the case of the last Interest Period, the Maturity Date or Redemption Date.

4.4 **Determination final**

The determination by the Issuer of all amounts and rates to be calculated or determined by it under these Terms is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar and each Holder.

4.5 **Calculations**

For the purposes of any calculations required under these Terms:

(a) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and

(b) all amounts that are due and payable must be rounded to the nearest one Papua New Guinea toea (with 0.5 of a toea being rounded up to 1 toea).

4.6 **Solvency test**

(a) No amount is payable by the Issuer in respect of the Bonds unless, at the time of and immediately after the payment, the Issuer is Solvent. A certificate signed by two Directors or a Director and a secretary of the Issuer is sufficient evidence as to whether or not the Issuer is Solvent unless it is proved to be incorrect.

(b) If all or any part of an amount of Interest that is due and payable is not paid because at the time of, and immediately after, payment of the amount of Interest the Issuer would not be Solvent, then, subject to condition 4.7, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

4.7 **Cumulative interest**

Interest which is not paid by virtue of condition 4.6(a) shall accrue at the Deferred Interest Rate in the manner provided in this condition 4 to the Deferred Payment Date (as defined below) and such interest is due and payable, together with the Interest amount which was not paid by virtue of condition 4.6(a), on the first date (**Deferred Payment Date**) on which:

(a) no amount is outstanding to a Senior Creditor; or

(b) if any amount is outstanding to a Senior Creditor, the Issuer is Solvent and, immediately after payment, the Issuer will remain Solvent.

Interest will not compound.

5. Redemption and purchase

5.1 **Scheduled Redemption**

Each Bond is Redeemable by the Issuer on the Maturity Date at its Face Value unless:

(a) the Bond has been previously Redeemed; or

(b) the Bond has been purchased by the Issuer and cancelled.

5.2 **Early Redemption at the option of the Issuer**

(a) The Issuer may Redeem all or some of the Bonds on a Call Date by payment of their Face Value together with any Interest accrued on those Bonds to (but excluding) the Redemption Date.

(b) However, the Issuer may only do so if:

(i) BPNG has given its prior written approval of the Redemption;

(ii) the Issuer has given at least 15 Business Days' notice of the Redemption to the Registrar, the Holders and PNGX (and any other stock exchange or other relevant authority on which the Bonds are quoted);

(iii) the proposed Redemption Date is a Call Date; and

(iv) no notice of Redemption is given at a time after the date falling 25 Business Days before the Maturity Date.

5.3 **Early redemption for regulatory reasons**

(a) If, as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Listing Date, additional requirements which the Directors determine in their absolute discretion to be unacceptable would be imposed on the Issuer in respect of the Bonds or that the Bonds cease to be treated as Tier 2 Capital, the Issuer may Redeem all, but not some, of the Bonds in whole before their Maturity Date at their Face Value together with any Interest accrued on the Bonds to (but excluding) the Redemption Date.

(b) However, the Issuer may only do so if:

(i) BPNG has given its prior written approval of the Redemption;

(ii) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice of the Redemption to the Registrar, the Holders and PNGX (and any other stock exchange or other relevant authority on which the Bonds are quoted);

(iii) before the Issuer gives the notice under paragraph (b), the Registrar has received:

(A) a certificate signed by two Directors or a Director and a secretary of the Issuer; and

(B) an opinion of legal advisers of recognised standing in Papua New Guinea,

that as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Listing Date, additional requirements would be imposed on the Issuer in respect of the Bonds or that the Bonds have ceased, or will cease, to be treated as Tier 2 Capital;

(iv) the proposed Redemption Date is an Interest Payment Date; and

(v) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be subject to additional requirements or the Bonds have ceased, or will cease, to be treated as Tier 2 Capital.

5.4 **Early redemption on a Change of Control at the option of the Issuer**

(a) If a Change of Control occurs, then:

(i) the Issuer may Redeem all, but not some, of the Bonds in whole before their Maturity Date at their Face Value together with any Interest accrued on that Bond to (but excluding) the applicable Redemption Date; and

(ii) the Issuer must notify Holders:

(A) of the occurrence of the Change of Control Event as soon as practicable after becoming aware of the event specifying the date on which the Change of Control Event occurred; and

(B) within 20 Business Days of the date on which the Change of Control Event occurred if it intends to exercise its right to Redeem the Bonds.

(b) However, the Issuer may only Redeem the Bonds if:

(i) BPNG has given its prior written approval of the Redemption; and

(ii) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice of the Redemption to the Registrar, the Holders and PNGX (and any other stock exchange or other relevant authority on which the Bonds are quoted).

(c) The Issuer must notify the Registrar and Holders of the Redemption as soon as practicable after receiving BPNG's written approval for such Redemption and the applicable Redemption Date will be the first Interest Payment Date following the date on which BPNG’s approval is received by the Issuer.

5.5 **No Holder option for early Redemption**

A Holder cannot require the Issuer or any other person to Redeem (or otherwise purchase) a Bond prior to the Maturity Date.

5.6 **Effect of notice of Redemption**

Any notice of Redemption given under this condition 5 is irrevocable.

5.7 **Late payment**

If an amount is not paid under this condition 5 when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the Deferred Interest Rate until the date on which payment is made to the Holder.

5.8 **Purchase**

(a) The Issuer may, at any time, subject to prior written approval having been obtained from BPNG and to any limit agreed with BPNG, purchase Bonds in the open market or otherwise and at any price.

(b) Bonds purchased under this condition 5.8 will be cancelled, subject to compliance with any applicable law.

6. **Holder's rights**

Each Holder irrevocably acknowledges and agrees that:

(a) it has no right to request a Redemption of any Bond; and

(b) the Bonds have no Events of Default other than as expressly provided in these Terms.

7. **Title and transfer of Bonds**

7.1 **Title**

Title to Bonds passes when details of the transfer are entered in the Register.

7.2 **Effect of entries in Register**

Each entry in the Register in respect of a Bond constitutes:

(a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, Interest and any other amount in accordance with these Terms; and

(b) an entitlement to the other benefits given to Holders under these Terms and the Deed Poll in respect of the Bond.

7.3 **Register conclusive as to ownership**

Entries in the Register in relation to a Bond constitute conclusive evidence that the person so entered is the absolute owner of the Bond subject to correction for fraud or error.

7.4 **Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the Holder of a Bond as the absolute owner of that Bond. This condition 7.4 applies whether or not payment has not been made as scheduled in respect of a Bond and despite any notice of ownership, trust or interest in the Bond.

7.5 **Joint Holders**

Where two or more persons are entered in the Register as the joint Holders of a Bond then they are taken to hold the Bond as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint Holders of any Bond.

7.6 **Transfers in whole**

Bonds may be transferred in whole but not in part in an authorised denomination.

7.7 **Transfer**

(a) A Holder may, subject to this condition 7.7, transfer any Bonds:

(i) by a proper transfer under any other computerised or electronic system recognised by the *Capital Market Act*;

(ii) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Papua New Guinea on which Bonds are quoted; or

(iii) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

(b) The Issuer must not charge any fee on the transfer of a Bond.

7.8 **Limit on Transfer**

(a) Bonds may only be transferred within Papua New Guinea if such transfer is made to an Eligible Investor.

(b) Bonds may only be transferred between persons in a jurisdiction if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Bonds otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

(c) The Bonds may not be transferred to persons outside of Papua New Guinea.

7.9 **Delivery of instrument and evidence**

If an instrument is used to transfer Bonds according to condition 7.7(a), it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Bonds.

7.10 **Refusal to register**

(a) The Issuer may only refuse to register a transfer of any Bonds if such registration would contravene or is forbidden by Applicable Regulations or the Terms.

(b) If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

7.11 **Transferor to remain Holder until registration**

A transferor of a Bond remains the Holder in respect of that Bond until the transfer is registered and the name of the transferee is entered in the Register.

7.12 **Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Deed Poll and these Terms in respect of the transferred Bonds and the transferee becomes so entitled.

7.13 **Estates**

A person becoming entitled to a Bond as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Bond or, if so entitled, become registered as the Holder of the Bond.

7.14 **Transfer of unidentified Bonds**

Where the transferor executes a transfer of less than all Bonds registered in its name, and the specific Bonds to be transferred are not identified, the Registrar may register the transfer in respect of such of the Bonds registered in the name of the transferor as the Registrar thinks fit, provided the aggregate of the Face Value of all the Bonds registered as having been transferred equals the aggregate of the Face Value of all the Bonds expressed to be transferred in the transfer.

8. Payments

8.1 **Payments subject to law**

All payments are subject to applicable law, but without prejudice to the provisions of condition 9.

8.2 **Payments on Business Days**

If a payment:

(a) is due on a Bond on a day which is not a Business Day then the due date for payment will be postponed to the first following day that is a Business Day; or

(b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

8.3 **Record Date**

Payments to Holders will be made according to the particulars recorded in the Register at 5.00 pm (local time) on the Record Date.

8.4 **Method of payments**

Payments in respect of each Bond will be made by crediting on the relevant payment date the amount then due to an account previously notified by the Holder in respect of that Bond to the Registrar. If the Holder has not notified the Issuer and the Registrar of such an account by close of business on the Record Date. A payment made by electronic transfer is for all purposes taken to be made when the Issuer or Registrar gives an irrevocable instruction for the making of that payment by electronic transfer, being an instruction which would be reasonably expected to result, in the ordinary course of banking business, in the relevant funds reaching the account of the Holder on the same day as the day on which the instruction is given.

8.5 **Payment to joint Holders**

A payment to any one of joint Holders will discharge the Issuer's liability in respect of the payment.

8.6 **Unsuccessful attempts to pay**

Subject to Applicable Regulations and condition 8.7, where the Issuer:

(a) decides that an amount is to be paid to a Holder by a method of direct credit and the Holder has not given a direction as to where amounts are to be paid by that method;

(b) attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful;

(c) has made reasonable efforts to locate a Holder but is unable to do so; or

then, in each case, the amount is to be held by the Issuer for the Holder in a non-interest bearing deposit with a bank selected by the Issuer until the Holder or any legal personal representative of the Holder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

8.7 **Time limit for claims**

A claim against the Issuer for a payment under a Bond is void unless made within 10 years (in the case of repayment of principal) or five years (in the case of Interest and other amounts) from the date on which payment first became due.

9. Taxation

9.1 No set-off, counterclaim or deductions

All payments in respect of the Bonds must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

9.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Bonds such that the Holder would not actually receive on the due date the full amount provided for under the Bonds, then the Issuer will deduct the amount for the Taxes and the Holder will not be reimbursed for the amount so deducted.

9.3 FATCA

The Issuer may withhold or make deductions from payments to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Bonds may be subject to FATCA, and may deal with such payment, in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Bonds for or in respect of any such withholding or deduction. A dealing with such payment in accordance with FATCA satisfies the Issuer's obligations to that Holder to the extent of the amount of that payment.

10. Events of Default

10.1 Events of Default

An **Event of Default** occurs in relation to the Bonds if:

(a) subject to condition 4.6, the Issuer fails to pay any amount of principal or Interest within 14 Business Days of the due date for payment; or

(b) an:

(i) order is made by a court and the order is not successfully appealed or permanently stayed within 30 days of the making of the order, or

(ii) an effective resolution is passed,

for the liquidation of the Issuer in Papua New Guinea, in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Bonds (**Winding-up**).

10.2 Notification

If an Event of Default occurs and is continuing, the Issuer must, promptly after becoming aware of it, notify the Registrar and PNGX (or any other stock exchange or relevant authority on which the Bonds are quoted) of the occurrence of that Event of Default (specifying details of it) and procure that the Registrar promptly notifies the Holders of the occurrence of that Event of Default.

10.3 Consequences of an Event of Default

(a) If an Event of Default occurs in relation to a Bond, then a Holder may, subject to Condition 10.3(b), by notice to the Issuer (with a copy to the Registrar at its office):

(i) institute proceedings in a court of competent jurisdiction against the Issuer to recover any principal, interest or other amount in respect of the Bonds held by that Holder not paid by the Issuer as specified in Condition 10.1(a) , subject to the Issuer being able to pay that principal, interest or other amount and being Solvent after making that payment; or

(ii) in the case of an Event of Default occurring pursuant to Condition 10.1(a), institute proceedings for a Winding-Up of the Issuer.

(b) No remedy of the Holders of Bonds against the Issuer (including any right to sue for a sum of damages which has the same economic effect as an acceleration of the Issuer's payment obligations), other than the institution of proceedings as specified in Condition 10.3(a), shall be available to the Holders of Bonds as a consequence of an Event of Default.

11. Subordination

11.1 Subordination

In a liquidation of the Issuer in Papua New Guinea:

(a) a Holder shall be entitled to prove for the Face Value and accrued Interest in respect of a Bond only subject to, and contingent upon, the prior payment in full of, the Senior Creditors; and

(b) the Holder’s claim for payment of the Face Value and accrued Interest ranks equally with, and shall be paid in proportion to, the claims of holders of other Pari Passu Subordinated Creditors.

11.2 Agreements of Holders as to subordination

Each Holder irrevocably agrees:

(a) that condition 11.1 is a debt subordination in compliance with BPNG Prudential Standard 1/2003 Part I Para 6;

(b) that it shall not have, and is taken to have waived, to the fullest extent permitted by law, any right to prove in a liquidation of the Issuer in any jurisdiction as a creditor in respect of the Bonds so as to diminish any payment that any Senior Creditor would otherwise receive;

(c) not to exercise any voting or other rights as a creditor in the liquidation or administration of the Issuer in any jurisdiction in a manner inconsistent with the subordination provided for by this condition 11;

(d) that it must pay or deliver to the liquidator or administrator any amount or asset received on account of its claim in the liquidation or administration of the Issuer in any jurisdiction in respect of the Bonds in excess of its entitlement under Conditions 3 and 11.1; and

(e) that the debt subordination effected by Condition 3 and Condition 11.1 is not affected by any act or omission of any person which might otherwise affect it at law or in equity.

11.3 **No further rights**

A Bond does not confer on the Holders any further right to participate in the liquidation of the Issuer beyond payment of the Face Value and any accrued but unpaid Interest.

11.4 **No set-off or netting**

Neither the Issuer nor any Holder shall be entitled to set-off or net any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce any amount payable by the Issuer in respect of the Bonds held by the Holder or by the Holder to the Issuer (as applicable).

11.5 **No consent of Senior Creditors**

Nothing in condition 3 or this condition 11 shall be taken:

(a) to require the consent of any Senior Creditor to any amendment of these Terms; or

(b) to create a charge or security interest over any right of a Holder.

12. General

12.1 **Voting**

(a) The Deed Poll contains provisions for convening meetings of the Holders to consider any matter affecting their interests including certain variations of these Terms which require the consent of the Holders.

(b) A Holder has no right to attend or vote at any general meeting of the shareholders of the Issuer.

12.2 **Amendments without consent**

At any time and from time to time, but subject to the Deed Poll and compliance with the Companies Act and all other applicable laws, the Issuer may, without the consent of the Holders, amend these Terms or the Deed Poll if such amendment is:

(a) of a formal, technical or minor nature;

(b) made to correct any manifest error;

(c) made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders;

(d) necessary to comply with the provisions of any statute or PNGX Debt Market Rules or the listing or quotation requirements of any stock exchange on which the Issuer may propose to seek a listing or quotation of the Bonds; or

(e) in any other case, not materially prejudicial to the interests of the Holders as a whole,

provided that, in the case of an amendment pursuant to paragraph (c), (d) or (e), the Issuer has received an opinion of independent legal advisers of recognised standing in Papua New Guinea that such amendment is otherwise not materially prejudicial to the interests of Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to a Holder (or any class of Holders) and other special consequences or circumstances which are personal to a Holder (or any class of Holders) do not need to be taken into account by the Issuer or its legal advisers.

12.3 Amendments with consent

Unless condition 12.2 ("Amendments without consent") applies, but subject to the Deed Poll and compliance with the *Companies Act* and all other applicable laws, the Issuer may amend these Terms or the Deed Poll with the approval of the Holders by Special Resolution in accordance with the Meetings Provisions. An amendment will take effect in relation to all subsequent Holders.

12.4 Consents

Prior to any amendment under this condition 12, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may affect the eligibility of the Bonds as Tier 2 Capital of the Issuer is subject to the prior written consent of BPNG.

12.5 Interpretation

In this condition 12, "**amend**" includes modify, cancel, alter, waive or add to, and "**amendment**" has a corresponding meaning.

12.6 Notices

The Deed Poll contains provisions for the giving of notices.

12.7 Further issues

The Issuer may from time to time, without the consent of any Holder, issue any securities ranking equally with the Bonds (on the same terms or otherwise) or ranking in priority or junior to the Bonds, or incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.

12.8 Governing law

These Terms and the Bonds are governed by the laws in force in Papua New Guinea.

Application Form

PGK235,000,000.00 7.55 per cent Subordinated Bonds due 2036 issued by KSL – Application Form	KSL or Registrar Stamp

The offer made under this application form is for PGK 235,000,000.00 7.55 per cent Subordinated Bonds due 2036 to be issued by KSL (**Subordinated Bonds**), pursuant to an information memorandum dated 16 March 2026. This offer is being made only to Eligible Investors, as defined below. You must be an Eligible Investor to apply for the Subordinated Bonds.

AMOUNT OF YOUR INVESTMENT: You must apply for a minimum of 5 Subordinated Bonds (K250,000.00) and then in increments of K50,000, no maximum is set. You may apply for any amount bearing in mind that KSL retains the right to scale back applications should subscriptions reach a level that is above a limit that has been set.

THIS OFFER IS EXPECTED TO CLOSE ON 29 April 2026 BUT MAY BE CLOSED EARLIER IF APPLICATIONS REACH THE UPPER LIMIT OF THE ISSUE AMOUNT.

I/we apply for (number of Subordinated Bonds):	I/we lodge full payment at K50,000.00 per bond
	K 00

Individual / Joint /Company Applications. Refer over to naming standards and guidelines

Company name / Given Name Surname

Name of Signatory 1

Name of Signatory 2 (if applicable)

Enter your postal address for notices

Enter your contact details

Contact Name

Email Address

Bank Account Details for Crediting of Interest

Bank	Branch Number	Account number

Account Name

Payment Details: Attach funds transfer payment receipt as payment proof

Date of transfer	Payment reference

Identification

Company registration no. (if applicable)	Tax Identification Number (if applicable)	NID/Passport number (Individual application)(Please attach a copy).

Applicant Declaration:

By submitting this Application, you represent and warrant to KSL as issuer of the Subordinated Bonds that you are:

- a holder of a capital market licence who carries on the business of dealing in securities or funds management;
- a licensed financial institution, insurance company, superannuation fund, unit trust/managed investment scheme in PNG;
- a person who will acquire the Subordinated Bonds pursuant to this offer, as principal, where the aggregate consideration for your acquisition is not less than K250,000.00 for each transaction, whether such amount is paid for in cash or otherwise;
- an individual whose total net personal assets exceed K3,000,000.00 or its equivalent in foreign currencies;
- a corporation with total net assets exceeding K10,000,000.00 or its equivalent in foreign currencies based on the last audited accounts; or
- entities incorporated by legislation, comprising churches or under the *Land Groups Incorporation Act* 1974.

Signed by:

Signatory 1

Name of Signatory 1:

Signed by:

Signatory 2 (if applicable)

Name of Signatory 2 (if applicable):

Directory

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