

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving the highest standards of corporate governance and ethics and expects similar standards from all employees.

The Board sets the strategic direction for the Group and meets quarterly or as required. All matters pertinent to the Group are discussed by the full Board, including, but not limited to, the operations and financial performance of the Group and achievement of objectives.

Board Composition

The Board consists of five members, all non-executive Directors. The members of the Board seek to ensure that it contains a blend of experience and skills appropriate to the Group.

Directors retire by rotation each three years and are eligible for re-election.

Committees

The Board meets as a committee to consider issues pertaining to the appointment of new Directors.

An audit committee of three non-executive Directors meets half-yearly in order to confirm that any matters raised by the Group's external auditors are addressed and to confirm that the Group's financial affairs are conducted in accordance with prudent commercial practice, the requirements of the Group Procedures Manual and the prudential standards issued by the Bank of Papua New Guinea.

Independent Advice

Directors are entitled to seek independent legal advice on their duties at the Group's expense, provided that they seek the prior approval of the Chairman.

Risk Management

The Board is committed to identifying significant business risks and has put in place a number of measures to manage such risks.

Shareholder Information

The Board communicates with shareholders at least once a year by means of a comprehensive annual report. In addition, the Board provides shareholders with continuous disclosure of information considered to be price sensitive to the Group's shares. At all times the Board ensures that statutory requirements regarding disclosure are met.

Staff Matters

The Group is an equal opportunity employer and does not tolerate sexual harassment amongst employees.

Policy and Procedures

The Group has in place both Staff and Procedures Manuals, which set out duties for each staff member and systems for all procedures.

All routine legal documents are standard and used in all instances.