

AMENDED NOTICE OF ANNUAL GENERAL MEETING

BSP FINANCIAL GROUP LIMITED

Notice is hereby given that the Annual General Meeting of Shareholders of the BSP Financial Group Limited (the "**Company**") will be held:

Date: **Friday, 19th May 2023**
Time: **10: 30 am (AEST)**
Venue: **Ballrooms 1 & 2, Level 1, The Crown Hotel, Hunter Street, Port Moresby, NCD, Papua New Guinea and online at <https://meetings.linkgroup.com/bspagm23>**

Explanatory Notes containing information in relation to each of the following resolutions accompanies the Notice of Meeting.

ITEMS OF BUSINESS

General Business: Minutes of the Previous Meeting held on 20th May 2022

To receive, consider and accept the Minutes of the previous Annual General Meeting held on 20th May 2022 as a correct record of that meeting.

Ordinary Business:

Item 1: Annual Report and Financial Statements for the Year Ended 31st December 2022

To receive the Annual Report, including the Financial Statements, Director's Report and Auditor's Report, for the Company and its subsidiaries for the year ended 31st December 2022.

Item 2: Remuneration Report for the Year Ended 31st December 2022

To adopt the Remuneration Report of the Company for the year ended 31st December 2022.

Item 3: Re-Election of Directors

Under Clause 15.3 (b) of the Company's Constitution, to re-elect the following directors:

- (a) Priscilla Kevin who retires by rotation and offers herself for re-election as a Director of the Company; and
- (b) Robert Bradshaw who retires by rotation and offers himself for re-election as a Director of the Company.

Item 4: Election of Director – Ian Allan Tarutia

Under Clause 15.3 (a) of the Company's Constitution, to elect as a director, Ian Allan Tarutia who was appointed to fill casual vacancy and offers himself for election as a Director of the Company.

Item 5: Increase in Aggregate Fee Limit for Non-Executive Directors Fees

For the purposes of ASX Listing Rule 10.17, PNGX Listing Rule 10.17 and Clause 16.1(a) of the Company's Constitution the shareholders approve the increase in the aggregate fee limit for Non-Executive Directors from K4,500,000.00 to K6,000,000.00 in respect of each financial year commencing on or after 1 January 2024.

Item 6: Appointment of Auditor

To appoint PricewaterhouseCoopers as auditor of the Company from the conclusion of this meeting until the conclusion of the next annual meeting of the Company and that the Board be authorized to fix their remuneration.

Item 7: Any other Business

To consider any other business of the day.

VOTING EXCLUSION STATEMENT

Item 2

The Company will disregard any votes cast in favour of Item 2 by or on behalf of:

- a member of the Company's Key Management Personnel (KMP) named in the Company's Remuneration Report for the year ended 31 December 2022; or
- their associate(s).

However this does not apply to a vote cast in favour by:

- a person as proxy or attorney for a person who is entitled to vote on Item 2, in accordance with directions given to the proxy or attorney to vote on Item 2 in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Item 2 in accordance with a direction given to the Chair to vote on Item 2 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 2; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Item 5

The Company will disregard any votes cast in favour of Item 5 by or on behalf of:

- any Director of the Company; or
- their associate(s).

However this does not apply to a vote cast in favour by:

- a person as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with directions given to the proxy or attorney to vote on Item 5 in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Item 5 in accordance with a direction given to the Chair to vote on Item 5 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 5; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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EXPLANATORY NOTES

This Explanatory Note is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the Notice of Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

GENERAL BUSINESS

Minutes of the Previous Meeting held on 20th May 2022

The Chairman will table the 2022 Annual General Meeting Minutes dated 20th May 2022 as a correct record of the Meeting.

ORDINARY BUSINESS

Item 1: Financial Reports

The Annual Report, including the Financial Statements, Director's Report and the Auditor's Report included in the 2022 Annual Report, for the Company and its subsidiaries for the year ended 31st December 2022 are attached to this Explanatory Note for the shareholders to read prior to the meeting. The Annual Report is also available on the Company's website at: <https://www.bsp.com.pg/investor-relations/investor-resources/annual-reports/>

While neither the *Companies Act 1997* nor the Company's constitution require Shareholders to vote on such Reports, Shareholders will be given the opportunity to raise questions on the Report at the Meeting.

Item 2: Remuneration Report

As a listed company on the Australian Stock Exchange, the Company is required under the *Australian Corporations Act 2001* to include a Remuneration Report in the Directors' Report. The Remuneration Report relates to the remuneration of directors and key management personnel of the Company and has been prepared in conformity with the requirements of section 300A of that Act. It can be found on pages 46 - 55 of the 2022 Annual Report.

It is a requirement under Section 250R (2) of that Act that the Remuneration Report be put to the vote of shareholders for adoption. This resolution is advisory only and does not bind the Directors or the Company. However, the outcome of the vote will be considered by the Board going forward when formulating remuneration policy for future years.

In the interests of good corporate governance, the Directors abstain from making a recommendation in relation to Item 2.

Item 3: Re-Election of Directors:

The Board proposes that Priscilla Kevin and Robert Bradshaw be re-appointed as directors of the Company. The Board considers that each nominee possesses attributes necessary for the development of the Company and details of each Director is set out below.

(a) Priscilla Kevin, BSCs, MAICD

Ms. Kevin initially joined BSP as an Independent Committee Member of BSP's Board Risk Committee in 2018. Since her appointment as a Director in April 2020, she has remained a member of the Board Risk Committee and is also a Member of the Remuneration & Nomination Committee. She is also a Director of BSP Finance (Fiji) Pte Limited.

Ms. Kevin is an IT professional and entrepreneur specializing in Enterprise Resource Planning (ERP) Support Advisory. With over 15 years ICT industry experience, Ms. Kevin is well known for providing ICT consultancy and support to a range of businesses as well as government bodies.

A board member of the PNG Digital ICT Cluster Inc. and a member of the PNG University of Technology's Industrial Advisory Board (IAB), Ms. Kevin is also working group committee member of the Centre of Excellence for Financial Inclusion and is a Council Member of the Institute of National Affairs (INA).

In accordance with the Company's constitution, and being eligible, Ms. Kevin offers herself for re-election by the shareholders.

The Board has assessed Ms. Kevin to be an independent director and, with Ms. Kevin abstaining, recommends that Shareholders vote in favor of her re-election.

(b) Robert Bradshaw, LLB (Hons), MAICD

Robert George Bradshaw was appointed as a Director in September 2017 and is currently the Chairman of the Board. He holds a Bachelor of Laws Degree (with Honors) from the University of Papua New Guinea and is a Member of the Australian Institute of Company Directors.

Having practiced law for over 25 years, Mr. Bradshaw was formerly a Partner in the firm Blake Dawson Waldron (now Ashurst) and commenced practice in his own firm, Bradshaw Lawyers, in 2005. Mr. Bradshaw has been involved in different areas of law, particularly in resource development, industrial relations, banking and finance and commercial litigation.

Mr. Bradshaw has served on a number of Boards and is currently the Chairman of Post PNG Limited.

In accordance with the Company's constitution, and being eligible, Mr. Bradshaw offers himself for re-election by the shareholders.

The Board has assessed Mr. Bradshaw to be an independent director and, with Mr. Bradshaw abstaining, recommends that Shareholders vote in favor of his re-election.

Item 4: Election of Director – Ian Allan Tarutia

The Board proposes that Ian Allan Tarutia be appointed as a director of the Company. The Board considers that Mr. Tarutia possesses attributes necessary for the development of the Company and his details are set out below.

Mr. Tarutia is a career executive with over 30 years of superannuation administration experience. He was CEO of Nasfund Limited from 01st November 2011 to 31st March 2023. He was appointed a Director on 04th April 2023 to fill the casual vacancy that arose following the retirement of Sir Kostas Constantinou, OBE in February 2023.

Mr. Tarutia holds a Bachelor of Business Economics and Masters of Business Administration Degrees from the University of Papua New Guinea. He also holds a Diploma in Company Directors Course from the Australian Institute of Company Directors and a Diploma in Economic Policy Analysis from the PNG National Research Institute. He has also undertaken studies in Financial Markets with the Securities Institute of Australia (currently known as KAPLAN) and completed a number of specialist management courses abroad in Australia, New Zealand, Japan and the prestigious Harvard Business School in the USA. Mr. Tarutia is a Fellow of the Australian Institute of Company Directors, a Senior Affiliate of the Securities Institute of Australia, President of the Papua New Guinea Institute of Directors and current President of the Papua New Guinea Chamber of Commerce & Industry.

In other capacities, Mr. Tarutia is and has served as a director on a number of listed and private company boards in the agriculture, aviation, catering, finance, properties, hotel, manufacturing, forestry, sports and savings and loan sectors.

The Bank of PNG has consented to the appointment of Mr. Tarutia as a non-independent director, due to his previous employment as CEO of National Superannuation Fund Limited, a major shareholder of the Company.

The Board, with Mr. Tarutia abstaining, recommends that Shareholders vote in favor of his election.

Item 5: Increase in Aggregate Fee Limit for Non-Executive Directors Fees

The Shareholders last approved the increase in the aggregate fee limit of the Non-Executive Directors from K2, 500,000 to K4,500, 000, 000.00 at the 2018 Annual General Meeting. The increase in fees then was due to the growth of the Company's subsidiaries at the time.

The Board at its Meeting on 23rd February 2023, authorized the increase in the aggregate fees from K4, 500, 000.00 to K6, 000, 000.00 subject to the approval of the shareholders at the 2023 Annual General Meeting.

In accordance with ASX Listing Rule 10.17, PNGX Listing Rule 10.17 and Clause 16.1 (a) of the Company's Constitution, shareholder approval is sought to increase the total aggregate amount of fees payable by K1,500,000.00.

The Board acknowledges that each Director's role and responsibility in ensuring appropriate management of the Company and its subsidiaries within internationally accepted corporate governance principles has significantly increased over the years. This is largely underpinned by the staggering growth in the Company's total assets, profitability and operations including its listing on the Australian Stock Exchange in 2021 and the increased responsibilities across the South Pacific and the countries where the Company has a presence. The increase in the remuneration cap will allow the Company to retain directors with appropriate skills and experience to strengthen the areas identified by the Board skills matrix.

The Non-Executive Directors receive no other benefits other than Director and Committee fees for the respective boards and committees to which they are appointed. Members of Management who are appointed to the subsidiary boards do not receive remuneration.

If approval for the proposed increase to the aggregate fee limit is not obtained, the cap will remain unchanged at K4,500,000.00.

As required by ASX Listing Rule 10.17, the Company confirms that no securities have been issued to Non-Executive Directors in the preceding three years under ASX Listing Rules 10.11 or 10.14.

In the interests of good corporate governance, the Board abstains from making a recommendation in relation to Item 5.

Item 6: Appointment of Auditor

In 2022, the Company went to tender, following which the Board, upon recommendation from the Board Audit and Compliance Committee appointed PricewaterhouseCoopers to be the Company's auditor for the next 3 years subject to shareholder approval.

The Board proposes that PricewaterhouseCoopers be appointed auditor of the Company from the conclusion of this meeting until the conclusion of the next annual meeting of the Company and that the Board be authorized to fix their remuneration.