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## **Market Announcement to South Pacific Stock Exchange**

### **“SPX LISTING RULES REQUIREMENT - ANNEXURE P”**

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#### **About BSP Convertible Notes Limited (BSP CN Fiji):**

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of BSP Financial Group Limited (BSP). BSP is a Papua New Guinea based full service Bank with representation in many major Pacific economies. BSP is listed on the Port Moresby Stock Exchange (PNGX). BSP Convertible Notes Limited (BSP CN Fiji) is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles. It is listed in the South Pacific Stock Exchange (SPX) in Fiji as **BCN**.



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30 April 2026

## **“SPX LISTING RULES REQUIREMENT - ANNEXURE P”**

### **“Market Announcement to South Pacific Stock Exchange”**

As per Rule 51.2(xix) of the South Pacific Stock Exchange Listing Rules, Annexure P: Annual Compliance Report on Corporate Governance is attached.



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**Rajeshwar Singh**  
**DIRECTOR**



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**Alvina Ali**  
**COMPANY SECRETARY**

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**About BSP Convertible Notes Limited (BSP CN Fiji):**

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of BSP Financial Group Limited (BSP). BSP is a Papua New Guinea based full service Bank with representation in many major Pacific economies. BSP is listed on the PNGX Markets Limited (PNGX). BSP Convertible Notes Limited (BSP CN Fiji) is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles. It is listed in the South Pacific Stock Exchange (SPX) in Fiji as **BCN**.

## Annexure P: Annual Compliance Report on Corporate Governance

Name of Listed Entity: BSP Convertible Notes Limited, (holding Company – BSP Financial Group Limited)

For the Financial Year ended on: 31 December 2025

| Principle   | Requirement   | Compliance Status (Please provide details)  |
|---|---|---|
| 1. Establish clear responsibilities for board oversight | Separation of duties: Clear separation of duties between Board and Senior Management.   | <p>The roles and responsibilities of the BSPCN Board are defined in its Board Charter, which establishes a clear separation between Board oversight and management functions.</p> <p>BSPCN, as a non-operating special purpose entity, relies on BSP Financial Group Limited (“BSP Group”) for management and operational support, with appropriate oversight exercised by the BSPCN Board.</p> |
|   | Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.   | <p>BSPCN has adopted a Board Charter which outlines the functions and responsibilities of the Board.</p> <p>BSPCN also relies on the BSP Group governance framework, under which the Board is responsible for strategic oversight, performance monitoring, and ensuring effective governance and control systems.</p>   |
| 2. Constitute an effective Board                        | Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3 <sup>rd</sup> of total number of directors to be independent directors. | <p>The BSPCN Board comprises three (3) Directors, including one (1) Independent Non-Executive Director.</p> <p>Given the size and nature of BSPCN as a special purpose entity, this composition is considered appropriate.</p> <p>BSPCN also benefits from the broader governance oversight and independence of the BSP Group Board.</p>  |
|   | Gender Diversity: Do you have a policy for promoting gender diversity at Board level  | BSPCN adopts the BSP Group approach to Board composition, which promotes an appropriate mix of skills, experience and diversity without gender bias. Gender   |

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|  | <p>and have you achieved your policy goals?</p>   | <p>diversity is addressed at the BSP Group Board level and extends to BSPCN.</p> <p>The Company Secretary on the BSPCN Board is a female.</p>   |
|  | <p>Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.</p>                                  | <p>BSPCN does not maintain a separate Nomination Committee. It relies on the Remuneration and Nomination Committee of BSP Group, which oversees the selection, appointment, renewal and succession of Directors in accordance with regulatory requirements.</p>   |
|  | <p>Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.</p>  | <p>BSPCN adopts the Board evaluation processes of BSP Group. The performance of the Board, its Committees and individual Directors is periodically assessed, including through externally facilitated reviews, to ensure continued effectiveness.</p>   |
|  | <p>Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.</p>  | <p>BSPCN Directors participate in BSP Group's induction and ongoing training programs, ensuring they are adequately equipped to perform their duties effectively.</p>   |
|  | <p>Board Sub-committees: Board must have sub-committees which must at a minimum include -</p> <ul style="list-style-type: none"> <li>• Audit Committee;</li> <li>• Risk Management Committee; and</li> <li>• Nomination Committee/Recruitment Committee.</li> </ul> | <p>BSPCN has not established separate Board Committees due to its status as a non-operating special purpose entity. Instead, BSPCN relies on BSP Group Board Committees, including the Board Audit &amp; Compliance Committee (BACC), Board Risk Committee (BRC), Remuneration and Nomination Committee (RNC) and Disclosure Committee (DC) which provide oversight on matters relevant to BSPCN.</p> |
| <p>3. Appointment of Chief Executive Officer/Managing Director</p> | <p>CEO: To appoint a suitably qualified and competent Chief Executive Officer/Managing Director</p>   | <p>BSPCN does not appoint a Chief Executive Officer as it is a non-operating special purpose entity.</p> <p>Operational, financial and governance functions are supported by BSP Group under established group arrangements.</p>  |

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| 4. Appointment of a Board and Company Secretary    | <p>Company Secretary:<br/>Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.</p>   | <p>BSPCN has appointed a suitably qualified Company Secretary who is accountable to the Board, through the Chairman, for governance and compliance matters.</p> <p>The Company Secretary is appointed and may be removed only by the Board.</p>     |
| 5. Timely and balanced disclosure                  | <p>Annual Reports:<br/>Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.</p>   | <p>BSPCN reporting is incorporated within the BSP Group Annual Report, ensuring timely and accurate disclosures in accordance with SPX Listing Rules.</p>   |
|  | <p>Payment to Directors and Senior management:<br/>Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.</p>  | <p>BSPCN does not have separate executive management. Disclosure of Directors' remuneration is made through the BSP Group Annual Report, which applies to BSPCN.</p>  |
|  | <p>Continuous Disclosure:<br/>General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.</p> | <p>BSPCN complies with SPX Listing Rules through the application of BSP Group's Continuous Disclosure Policy, with oversight by the Disclosure Committee.</p> <p>All announcements are made in a timely, factual and transparent manner.</p>        |
| 6. Promote ethical and responsible decision-making | <p>Code of Conduct:<br/>To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.</p>  | <p>BSPCN adopts the BSP Group Code of Conduct, which applies to Directors and employees and promotes high standards of ethical behaviour.</p> <p>These standards are supported by regular training and awareness programs across the BSP Group.</p> |

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| 7. Register of Interests              | <p>Conflicts of Interest:</p> <p>Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.</p>  | <p>A Register of Directors' Interests is maintained by the Company Secretary and is regularly tabled at Board meetings to ensure transparency and effective management of conflicts of interest.</p>  |
| 8. Respect the rights of shareholders | <p>Communication with shareholders:</p> <p>To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.</p> | <p>BSPCN, through BSP Group, is committed to transparent and effective communication with shareholders through annual reports, market announcements, shareholder meetings and investor briefings.</p>   |
|                                       | <p>Website:</p> <p>To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.</p>  | <p>BSPCN disclosures are made available through the BSP Group website, which provides access to financial reports, market announcements and corporate governance information.</p> <p>Shareholders can access BSP's financial reports, market announcements, corporate governance policies and various other shareholder resources from the "Investor Centre" tab of its website at <a href="https://www.bsp.com.pg/">https://www.bsp.com.pg/</a>.</p> |
|                                       | <p>Grievance Redressal Mechanism:</p> <p>To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.</p>  | <p>BSPCN adopts BSP Group's Customer Complaints Handling framework, which provides mechanisms for stakeholders to raise complaints and have them addressed appropriately. All complaints and grievances can be reported to the Manager Customer Contact Centre at BSP. The BSP Fiji website provides the email address of Customer Service Centre for any matters on <a href="mailto:bula@bsp.com.fj">bula@bsp.com.fj</a></p>                         |

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|                                    | <p>Shareholders' Complaints:</p> <p>To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.</p>   | <p>No complaints have been received by BSPCN Shareholders during the financial year.</p>  |
|                                    | <p>Corporate Sustainability:</p> <p>To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.</p> | <p>BSPCN adopts the sustainability framework of BSP Group, which integrates environmental, social and governance considerations into its operations and risk management practices.</p>  |
| <p>9. Accountability and audit</p> | <p>Internal Audit:</p> <p>To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.</p>  | <p>BSPCN relies on the internal audit function of BSP Fiji and the Group. Oversight is provided by the Board Audit &amp; Compliance Committee (BACC), ensuring independence and effectiveness of internal audit activities.</p>   |
|                                    | <p>External Audit:</p> <p>To appoint an external auditor who reports directly to the Board Audit Committee.</p>   | <p>BSPCN's external audit is conducted as part of BSP Group audit arrangements. The external auditor is appointed by the Board upon recommendation of the BACC and is subject to shareholder ratification. The current external auditor is PricewaterhouseCoopers (PwC) and Grant Thornton in Fiji.</p> |
|                                    | <p>Rotation of External Auditor:</p> <p>To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.</p>  | <p>External auditors are appointed for a fixed term, with rotation of the lead audit partner in accordance with applicable governance requirements.</p>   |

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|                            | <p><b>Audit Committee:</b></p> <p>To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.</p>  | <p>BSPCN relies on the Board Audit &amp; Compliance Committee (BACC) of BSP Group, which provides oversight of financial reporting, audit processes, internal controls and compliance obligations:</p> <ul style="list-style-type: none"> <li>• the integrity of BSP’s financial statements and their independent audit;</li> <li>• the financial reporting principles and policies, controls and procedures;</li> <li>• BSP’s internal audit process;</li> <li>• the effectiveness of internal controls;</li> <li>• monitor the controls and effectiveness of BSP’s compliance obligations;</li> <li>• the systems for ensuring operational efficiency and cost control;</li> <li>• the systems for approval and monitoring of expenditure including capital expenditure; and</li> <li>• review and monitor the processes for monitoring compliance with laws and regulations (both in PNG and in overseas jurisdictions, where BSP operates) and the implementation of Board decisions by management.</li> </ul> <p>Membership of the BACC is formed amongst the Non-Executive Directors, excluding the Chairman. The BACC must have a minimum of three Non- Executive Directors, the majority of whom must be independent. The Board may also appoint to the BACC additional individuals who are not executives or members of the Board who have specialised skills to assist the BACC. The chairman of the BACC must be an appropriately experienced independent Non-Executive Director, other than the Chairman (or other Board committee chairman).</p> |
| <p>10. Risk Management</p> | <p><b>Risk Management Policy:</b></p> <p>To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee,</p> | <p>BSPCN adopts the Risk Management Framework of BSP Group.</p> <p>The Group’s Risk Management activities are aligned to the achievement of the Group’s Objectives, Goals and Strategy. The Board, in consultation with the Executive Committee, determines the Group’s risk appetite and risk tolerance and this is</p>  |

management and internal audit function.

expressed in the Group Risk Appetite Statement.

These benchmarks are used in the risk identification, analysis and risk evaluation processes.

The Board or a Committee reviews the risk management framework at least annually.

BSP recognises the following major risks:

**Credit Risk:** The potential for financial loss where a customer or counter party fails to meet its financial obligation to the Group.

**IT Risk:** The current and potential threat to earnings, capital or reputation as a result of a failure of information systems managed, maintained and operated by the Bank.

**Market Risk:** The potential financial loss arising from the Group's activities in financial, including foreign exchange, markets.

**Liquidity Risk:** The risk of failure to adequately meet cash demand in the short term.

**Interest Risk:** Risk to earnings from movement in interest rates.

**Compliance Risk:** The risk of loss or penalties imposed by a regulator for non-compliance with regulations, prudential standards and policies.

**Operational Risk:** The risk of loss resulting from inadequate or failed internal processes, people, or from external events, including legal.

### **Risk Management Roles and Responsibilities**

The Board accepts responsibility for ensuring it has a clear understanding of the types of risks inherent in the Group's activities. Therefore, responsibility for overall risk management in BSP is vested with the Board.

There is a formal system of financial and operational delegations from the Board to the Chief Executive Officer, and from the Chief Executive Officer to the General Managers. These delegations reflect the Group's risk appetite, and are cascaded

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|  |  | <p>down to managers who have skills and experience to exercise them judiciously.</p> <p>The Board defines the accountabilities (including delegated approval/ control authorities/limits) and reporting/monitoring requirements for the risk management process. The severity of risks identified in the risk identification, analysis and evaluation processes, and noted in the SBU Risk Registers, is used to determine the approval/control authorities/limits. The Board undertakes an annual review of the Group's Enterprise Risks.</p> <p>The Board has adopted guidelines, with the help of management analysis, covering the maximum loss exposure the Group is able and willing to assume.</p> <p>These guidelines are detailed in the Group's Risk Appetite Statement and Risk Policy and Procedures Manual which have been approved by the Board. The Board has also delegated to the BRC responsibility for overview of loss control and for overseeing the risk management function. The BRC is responsible for receiving reports and providing regular updates and recommendations to the Board on the risk management activities of the Group, especially relating to risk issues that are outside of the authority of the Group's Executive Committee and other delegated Committees to approve.</p> |
|  | <p><b>Whistle Blower Policy:</b></p> <p>As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]</p> | <p>BSPCN adopts the BSP Group Whistleblower Policy, which provides a confidential mechanism for reporting unethical conduct, misconduct or breaches of law.</p> <p>The Group has adopted a whistle-blowing policy that is designed to support and encourage staff to report in good faith matters such as:</p> <ul style="list-style-type: none"> <li>• unacceptable practices;</li> <li>• irregularities or conduct which is an offence or a breach of laws of the countries in which BSP operates in (actions and decisions against the laws of relevant countries including non-compliance);</li> <li>• corruption;</li> <li>• fraud;</li> <li>• misrepresentation of facts;</li> </ul>   |

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|  |  | <ul style="list-style-type: none"><li>• decisions made and actions taken outside established BSP policies &amp; procedures;</li><li>• sexual harassment;</li><li>• abuse of Delegated Authorities;</li><li>• misuse of Group assets;</li><li>• disclosures related to miscarriages of justice;</li><li>• health and safety risks, including risks to the public as well as other employees;</li><li>• damage to the environment</li><li>• other unethical conduct;</li><li>• failure to comply with appropriate professional standards;</li><li>• abuse of power, or use of the Group's powers and authority for any unauthorised purpose or personal gain; and</li><li>• breach of statutory codes of practice.</li></ul> |
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