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23 July 2021

RESPONSE TO MEDIA REPORT ABOUT TENURE OF CHAIRMAN

BSP Financial Group Limited (**BFL**) provides the following response to the media report appearing in the Australian Financial Review on 22 July 2021 asserting that BFL's chairman, Sir Kostas Constantinou OBE, is in breach of Papua New Guinea prudential standards by exceeding the maximum stipulated term for a director on the board of a financial institution.

BFL affirms that the tenure of its chairman, Sir Kostas Constantinou OBE, is the subject of an exemption issued by the Bank of Papua New Guinea in 2019 in relation to prudential standards on governance matters and that the Bank of Papua New Guinea has consented to Sir Kostas' chairmanship continuing to February 2023, by which time another director will take over the chairmanship, and as a director until May 2023. As noted in BFL's recently issued Information Memorandum, this will be Sir Kostas' final term of office, with Sir Kostas having been most recently re-elected to the BFL Board of Directors in May 2020 (and first elected a director in 2009).

Group Chief Executive Officer Robin Fleming said that "the recent publication of the Australian Financial Review that BFL is in danger of losing its chairman has no basis. As required by the Bank of Papua New Guinea, succession planning for the chairman's role has commenced and will continue through 2022 and be resolved ahead of BFL's 2023 Annual General Meeting. The recent imposition of sanctions in relation to anti-money laundering allegations will not adversely affect that planning as the chairman's role was not called into question by the Bank of Papua New Guinea."

This announcement was authorised for release by Robin Fleming, Group Chief Executive Officer of BSP Financial Group Limited.

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