Company Secretary
PO Box 78, Port Moresby, NCD, Papua New Guinea
T + 675 3057159 F + 675 321 1587 W www.bsp.com.pg

25th April 2017

Ref: MI/BSPAGM

Port Moresby Stock Exchange Limited
Level 4, Defens, Haus
Cnr. Champion Parade & Hunter Street
Port Moresby
National Capital District

By Hand Delivery

Dear Madam,

Notice of BSP Annual Meeting of Shareholders – Friday 26th May 2017

We hereby confirm that Bank of South Pacific Limited ("BSP") will hold its Annual Meeting of Shareholders on:

Date:	**Friday 26th May 2017**
Venue:	**Kambuingi Rooms, Crowne Plaza, Port Moresby, NCD**
Time:	**10.30am**

We attach for your information a draft Notice of Meeting together with the Proxy Forms and a copy of the 2016 Annual Report.

Please acknowledge receipt of this advice. If you have any queries regarding this matter please do not hesitate to contact the writer.

Yours faithfully
Bank of South Pacific Limited

Mary Johns
Company Secretary

Enclosures (2)

Bank South Pacific
Bank of South Pacific Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Bank of South Pacific Limited (the "**Company**") will be held at the Crowne Plaza Hotel, Hunter Street, Port Moresby NCD on Friday 26th May 2017 commencing at 10.30 a.m. for the purpose of transacting the following business

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

AGENDA

General Business:

Minutes of the Previous Meeting held on 20th May 2016

To receive, consider and accept the Minutes of the previous Annual General Meeting held on 20 May 2016 as a correct record of that meeting.

Ordinary Business:

Item 1 **Annual Report including Financial Statements for the Year Ended 31 December 2016**

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 31 December 2016.

Item 2.1 **Re-Election of Directors**

To elect the following directors:

(a) Sir Kostas George Constantinou, OBE who retires by rotation and offers himself for re -election as a director of the Company

(b) Freda Kanek Talao who retires by rotation and offers herself for re -election as a director of the Company

Item 2.2 **Election of Directors**

To elect the following directors being directors who have been appointed by the board to fill casual vacancies since the last annual meeting:

(a) Mr Arthur Sam; and

(b) Dr Matagialofi Lua'iufi.

Item 3 **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 4 **Any other Business**

To consider any other business of the day.

By order of the Board of Directors.

Mary Johns
Company Secretary
26th April 2017

Bank South Pacific
Bank of South Pacific Limited

EXPLANATORY NOTE

Shareholders Meeting to be held on 26 May 2017

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.

Item 1 **Reports**

The Annual Report, including the Financial Statements, Director's Report and the Auditor's Report included in the 2016 Annual Report, for the Company and its subsidiaries for the year ended 31 December 2016 are attached to this Explanatory Note for the shareholders to read prior to the meeting.

Neither the Papua New Guinea Companies Act 1997 nor the Company's constitution requires shareholders to vote on such Reports. However, shareholders will be given ample opportunity to raise questions on the Reports at the Meeting.

Item 2.1 **Re-Election of Directors:**

The Board proposes that Sir Kostas George Constantinou, OBE and Freda Kanek Talao be re-appointed as directors of the Company. The Board considers that each nominee possesses attributes necessary for the development of the Company.

(a) **Sir Kostas George Constantinou, OBE**
Sir Kostas George Constantinou, OBE was appointed at the shareholders' meeting as a director on 22 May 2015.

In accordance with the Company's constitution, and being eligible, Sir Kostas George Constantinou offers himself for re-election by the shareholders.

(b) **Freda Kanek Talao**
Ms Freda Kanek Talao was appointed at the shareholders' meeting as a director on 22 May 2015.

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

Item 2.2 **Election of Directors:**

(a) Arthur Sam

The Board proposes that Mr Arthur Sam be appointed as director of the Company. Mr Sam was appointed to the Board in July 2016 after having completed the Fit & Proper Person requirements of the Bank of PNG. The Board considers that Mr Arthur Sam possesses attributes necessary for the development of the Company.

(b) Dr Matagialofi Lua'iufi

The Board proposes that Dr Matagialofi Lua'iufi be appointed as director of the Company. Dr Lua'iufi was appointed to the Board in December 2016 after having completed the Fit & Proper Person requirements of the Bank of PNG. The Board considers that Dr Matagialofi Lua'iufi possesses attributes necessary for the development of the Company.

Item 3 **Appointment of Auditor**

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.

Item 4 **Any other Business**

To consider any other business of the day.

By order of the Board of Directors.

LODGE YOUR VOTE

By Mail:
PNG Registries Limited
Level 2, AON Haus
PO Box 1265
PORT MORESBY NCD
Papua New Guinea

By Email:
ssimon@online.net.pg

By Fax: (+675) 321 6379

All enquiries to Telephone: (+675) 321 6377 or 321 6378

«Reg_Line_1»
«Reg_Line_2»
«Reg_Line_3»
«Reg_Line_4»
«Reg_Line_5»
«Reg_Line_6»

SRN: «Holding_No»

SHAREHOLDER PROXY FORM

I/We, being a shareholder(s) of Bank of South Pacific Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **The Chairman of the Meeting (*mark box*)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name/s of the person/s or body/ies corporate (no more than 2 proxies can be appointed and proxies cannot include the registered shareholder) you are appointing as your proxy

OR failing the person named above, or if no person is named, the chairman of the meeting, to act generally at the Meeting as the Shareholder's proxy to vote for the Shareholder and on the Shareholder's behalf at the Annual General Meeting of Shareholders of the Company to be held at **10:30am (Port Moresby time) on Friday, 26th May, 2017 at Crowne Plaza Hotel, Corner Hunter and Douglas Street, Port Moresby NCD, Papua New Guinea** and at any adjournment of that meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2 VOTING DIRECTIONS

ORDINARY BUSINESS

		For	Against	Abstain *
Item 1	Annual Report and Financial Statements for FYE 2016	☐	☐	☐
Item 2.1 (a)	Re-Election of Director - Sir Kostas George Constantinou, OBE	☐	☐	☐
Item 2.1 (b)	Re-Election of Director - Freda Kanek Talao	☐	☐	☐
Item 2.2 (a)	Election of Director - Mr Arthur Sam	☐	☐	☐
Item 2.2 (b)	Election of Director - Dr Matagialofi Lua'iufi	☐	☐	☐
Item 3	Appointment of Auditor	☐	☐	☐
Item 4	Any other Business			

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Security Holder 1 (Individual)	**Joint Security Holder 1 (Individual)**	**Joint Security Holder 2 (Individual)**
Sole Director & Sole Company Secretary	**Director/Company Secretary (Delete one)**	**Director**

This form should be signed by the Shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution (under its Common Seal)

HOW TO COMPLETE THIS FORM

1 **Your Name and Address**
This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. **Please note: you cannot change ownership of your shares using this form.**

2 **Appointment of a Proxy**
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3 **Votes on Items of Business**
You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any items of business. **Please note: if you mark more than one box on an item your vote on that item will be invalid.**

4 **Signing Instructions**
You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the holders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

If a representative of the Company/Corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporation Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 10:**30am on Wednesday, 24h May 2017**, being **no later than 48 hours before the commencement of the meeting.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Completed and signed Proxy Form may be lodged:

By mail:

PNG Registries Limited
PO Box 1265
PORT MORESBY NCD
Papua New Guinea

By Fax: (+675) 321 6379

By Email: ssimon@online.net.pg

By Hand: PNG Registries Limited, Level 2, AON Haus, McGregor Street, Port Moresby, NCD

If you would like to attend and vote at the Special Meeting, please bring this form with you. This will assist in registering your attendance.