

Chapter 13

Contents of circulars:
Premium listing

13.6 Related party circulars

Related party circulars

13.6.1

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A *related party circular* must also include:

- (1) in all cases the following information referred to in the *PR Regulation* relating to the *company*:

Paragraph of Annex 1 of the *PR Regulation*

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- (a) Annex 1 item 4.1 – Issuer name;
- (b) Annex 1 item 4.4 – Issuer address;
- (c) Annex 1 item 16.1 – Major shareholders;
- (d) Annex 1 item 18.7.1 – Significant changes in the issuer's financial position;
- (e) Annex 1 item 20.1 – Material contracts (if it is information which shareholders of the *company* would reasonably require to make a properly informed assessment of how to vote);
- (f) Annex 1 item 21.1 – Documents available;

- (2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a *director* or *shadow director*, or an *associate* of a *director* or *shadow director*, of the *company* (or of any other *company* which is its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking*) the following information referred to in the *PR Regulation* relating to that *director*:

Paragraph of Annex 1 of the *PR Regulation*:

- (a) Annex 1 item 14.2 – Service contracts;
- (b) Annex 1 item 15.2 – Shareholdings and stock *options*;
- (c) Annex 1 item 17.1 – Related party transactions;

- (3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement and also a statement that the reason the *security* holder is being asked to vote on the transaction or arrangement is because it is with a *related party*;

		<div><div>(4) for an acquisition or disposal of an asset where any <i>percentage ratio</i> is 25% or more and for which appropriate financial information is not available, an independent valuation;</div><div>(5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the <i>security</i> holders of the <i>company</i> are concerned and that the <i>directors</i> have been so advised by a <i>sponsor</i>;</div><div>(6) if applicable, a statement that the <i>related party</i> will not vote on the relevant resolution, and that the <i>related party</i> has undertaken to take all reasonable steps to ensure that its <i>associates</i> will not vote on the relevant resolution, at the meeting;</div><div>(7) [deleted]</div><div>(8) if ■ LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and</div><div>(9) if a statement or report attributed to a <i>person</i> as an expert is included in a <i>circular</i> (other than a statement or report incorporated by reference from a <i>prospectus</i> or <i>listing particulars</i>), a statement that it is included, in the form and context in which it is included, with the consent of that <i>person</i>.</div></div>
13.6.2	R	<div>For the purposes of the statement by the board referred to in ■ LR 13.6.1R (5):</div> <div><div>(1) any <i>director</i> who is, or an <i>associate</i> of whom is, the <i>related party</i>, or who is a <i>director</i> of the <i>related party</i> should not have taken part in the board's consideration of the matter; and</div><div>(2) the statement should specify that such persons have not taken part in the board's consideration of the matter.</div></div>
13.6.3	G	<div>For the purpose of advising the <i>directors</i> under ■ LR 13.6.1R (5), a <i>sponsor</i> may take into account but not rely on commercial assessments of the <i>directors</i>.</div>
13.6.4	G	<div><div>Pro forma financial information</div><div>■ LR 13.3.3 R sets out requirements for pro forma information in <i>related party circulars</i>.</div></div>