

Being: SPX Guidance Note

For: Related Party Transactions

Last Updated: 26th February 2020

INTRODUCTION

The SPX Listing Rules Section 61 does not define the nature of the relationship between a listed entity and related parties or a director and members of his or her families.

Need for the Guidance Notes

This notice therefore would provide a practical guideline which needs to be followed in ascertaining related parties.

GUIDANCE NOTES

As per the South Pacific Stock Exchange (SPX or Exchange) Listing Rules Section 61.1 reference is made to directors or members of their families and/or their nominees. Where this reference is made, the following are included:

1. his or her spouse, de facto spouse, parent, child, or a spouse or de facto spouse of that person;
2. a company controlled by one of more person referred to (1) above;
3. a company that he or she controls;
4. a person who acts in concert with anyone referred to in (1), (2) or (3) above;
5. a person who was a related party in the previous 6 months, or who would be a related party in the future.

As per the SPX Listing Rules Section 61.1 (v) the SPX may disallow transactions between the company and a person who has not sought the shareholder's approval where in SPX's opinion, the person's relationship to the company was of such a nature that it was appropriate for the transaction to be approved by the company's shareholders.

As such, the listed company will be deemed to seek shareholder's approval for any transaction between the company and the person when:

1. the person is a substantial shareholder in that entity or in a related company;
2. the person occupies a position that may reasonably be expected to give him access to information by virtue of:

(i) any professional or business relationship existing between himself (or his employer or the company of which he is an officer) and that company or a related company;

(ii) his being an officer of a substantial shareholder in that company or in a related company.

Furthermore, the listed entity will be deemed to seek shareholder's approval for any transaction entered into with:

1. a company that controls the listed company;
2. a company controlled by a related party referred to in 1;
3. a company that was a related party of the listed company of a kind referred to in 1 and 2 above, at any time within the previous 6 months;
4. a company that believes or has reasonable grounds to believe that it is likely to become a related party of the listed company of a kind referred to in 1 and 2 above, at any time in the future;
5. a company that acts in concert with a related party on the understanding that the related party will receive a financial benefit if the listed company gives the company a financial benefit.

Guideline Review

This guideline must be reviewed every two years from the guideline implementation date **or earlier if required.**

Guideline Implementation

This guideline is implemented and effective from 1st day of September 2010.