

Chapter 13

Contents of circulars:
Premium listing

13.6 Related party circulars

Related party circulars

13.6.1

R

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*;
 - (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*;
- (4) for an acquisition or disposal of an asset where any *percentage ratio* is 25% or more and for which appropriate financial information is not available, an independent valuation;

- (5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the *security* holders of the *company* are concerned and that the *directors* have been so advised by a *sponsor*;
- (6) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;
- (7) [deleted]
- (8) if ■ LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and
- (9) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

13.6.2 **R** For the purposes of the statement by the board referred to in ■ LR 13.6.1R (5):

- (1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party* should not have taken part in the board's consideration of the matter; and
- (2) the statement should specify that such persons have not taken part in the board's consideration of the matter.

13.6.3 **G** For the purpose of advising the *directors* under ■ LR 13.6.1R (5), a *sponsor* may take into account but not rely on commercial assessments of the *directors*.

Pro forma financial information

13.6.4 **G** ■ LR 13.3.3 R sets out requirements for pro forma information in *related party circulars*.