

Summit Power International Pte. Ltd.
Related Party Transaction Policy

Date Approved: 16/12/2016

General Provisions

A. Introduction

The purpose of this policy is to set out the procedures by which **Summit Power International Pte. Ltd.** (hereinafter the “Company”) and its subsidiaries, affiliates, and associated companies may enter into a related party transaction. It is the Company’s objective that related party transactions are negotiated at market conditions at the time of the transaction and on terms no less favorable than terms available to any unconnected third party under the same or similar circumstances.

As the policy merely sets out general guidelines, directors should abide by both the letter and spirit of the policy as well as any applicable law, legislation or listing rules. Directors should also bring to the attention of the board any queries or doubts in relation to the scope, the application, or any provision of this policy.

B. Application of this Policy

This policy applies to the Company’s directors and senior management (key management personnel). Related party transactions constitute a conflict of interest within the meaning of the Company’s code of corporate governance. This policy is not intended to conflict with any applicable laws or regulations and if any such conflict occurs the requirements of the law or regulation shall prevail.

C. Identification of Related Party Transactions

For purposes of this policy, a “related party transaction” is a transaction between the Company or any of its subsidiaries and any “related party”.

A “director” includes an alternate director.

A “related party” includes the following:

- a. The board members of the Company, and of its parent company, affiliated, associated company or sister companies, and associates and subsidiaries.
- b. Any entity that is members of the same group as the Company (which means that each parent, subsidiary and company related to the Company in any manner); or any entity related through joint venture.
- c. The CEO and key officers, including anyone who directly reports to the board, any board committee or the CEO.
- d. Any person or close member of that person’s family having the ability to control or jointly control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders or directors of the Company, its parent company, affiliated or associated companies.
- e. The parents, children, spouse, siblings, and dependents of any of the natural persons listed in Clauses (a, b and c).
- f. Any business, and the directors, CEO and key officers of any business, in which the natural persons listed in paragraphs (a) to (e) own jointly or severally at least 20% of the voting rights.

- g. Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs (a) to (f).
- h. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

A “significant shareholder” of the Company is one who owns, or controls, or has the ability to exercise or influence the voting rights of 5% or more of the shares of that company. The term “family” includes a person’s parent, grandparent, child, sibling, aunt, uncle, cousin, nephew, niece, spouse, widow or in-law.

Related party transactions can take different forms, but can include:

- Sale or purchase of goods.
- Sale or purchase of property and/or assets.
- Lease of property and/or assets.
- Provision or receipt of services or leases.
- Transfer of intangible items (e.g., research and development, trademarks, license agreements).
- Provision, receipt, or guarantee of financial services (including loans and deposit services) – this includes loans to Directors/Employees.
- Assumption of financial/operating obligations or settlement of liabilities.
- The subscription of Debt/Equity issuances.

D. Review, Approval and Disclosure Procedures

Directors and key officers shall disclose to the board, through the company secretary, details of all their other directorships, shareholdings, or any other material financial interests owned by them or members of their family. Any changes to these notifications must be communicated promptly to the board of directors through the company secretary.

It is the responsibility of each director and key officer to promptly notify the board, through the company secretary, of any proposed, existing or concluded related party transaction as soon as they become aware of it. If any employee suspects that a transaction may constitute a related party transaction and notifies a director or key officer, the director or key officer must promptly notify the board, through the company secretary.

It is the responsibility of a director or key officer who is involved in a related party transaction to inform the board, through the company secretary, and obtain approval prior to entering into the transaction.

Conflicted board members shall not participate in discussions on transactions in which they are a conflicted party and abstain from voting on such issues. The board, or shareholders if applicable, by resolution shall decide whether or not to approve the related party transaction. A director or employee of the Company that is a party to the transaction should not be involved in the review and approval process.

As part of its review and approval process, the board shall determine the extent to which the transaction has been conducted in accordance with market conditions and on terms not unfavorable to the Company. In conducting this assessment, the board should examine comparable transactions, bids from other providers, market studies, and/or expert appraisals

to make such judgments. The board should also engage independent evaluation experts as needed. This is especially critical for transactions requiring shareholder approval.

The Company's independent external auditor shall be required to review all related party transactions included in the financial statements to provide assurance as to the accuracy of the information reported.

Disclosures of individual transactions in the financial statements shall include (consistent with IAS 24):

- The related parties;
- The nature of the relationship;
- Type/description of transactions made between the Company and the related parties during the financial period;
- The date and amount of the transaction made between the Company and the related parties during the financial period;
- The extent to which the related parties or company will benefit economically; and
- Balances with related parties at the end of the financial period.
- Amount of outstanding balances, including guarantees, commitments, their terms and provisions/expenses for any doubtful debts.
- Procedures followed for approval.

E. Policy Review

This Policy takes effect as of the date of approval, or date of effectiveness determined, by the Company in a Board meeting.

This Policy shall be reviewed annually to ensure its relevance to current practices and law. The Board of Directors shall be responsible for ensuring this policy is current. The Audit Committee shall review and assess the adequacy of this policy at least annually and recommend to the Board of Directors any changes it considers are needed.

The Policy and any changes to the Policy are to be adopted by the Board of Directors.

Each member of the Board of Directors is to annually sign a confirmation that they have read and understood and will comply with this Policy.