

DEL MONTE PACIFIC LIMITED

(Incorporated in the British Virgin Islands with limited liability)

POLICY AND PROCEDURES FOR ACQUISITION OF ASSETS

1. Purpose

To formalize into a written policy the practices, standards and requirements for Del Monte Pacific Limited's (the "**Company**") acquisition of assets to ensure that applicable laws and regulations are complied with and that appropriate procedures for the evaluation, endorsement, approval and disclosure of acquisition transactions are properly adhered to.

2. Legal Basis

This Policy is based on applicable laws and regulations, including, but not limited to, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules on Acquisitions and Realisations (Chapter 10) and Interested Person Transactions (Chapter 9), the Philippine Securities Regulation Code ("**SRC**"), the Implementing Rules and Regulations of the SRC, and the Revised Disclosure Rules of the Philippine Stock Exchange, Inc. ("**PSE**").

3. Definitions

Unless the context otherwise requires:

- (a) "**Transaction**" refers the acquisition or disposal of assets by the Company or any of its subsidiaries, including an option to acquire or dispose of assets. It excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.
- (b) "**assets**" includes securities and business undertaking(s).
- (c) (i) "**net assets**" means total assets less total liabilities.
(ii) "**net profits**" means profit or loss before income tax, minority interests and extraordinary items.
(iii) the net asset and net profit figures used for comparison with the transaction(s) under consideration will be taken from the latest announced consolidated accounts. The SGX-ST may allow the Company's net asset value or net profit to be adjusted to take into account any transaction(s) completed subsequent to the latest announced consolidated accounts, provided that adequate information about such transaction(s) has already been announced to shareholders.
- (d) "**market value**" means the weighted average price of the Company's shares transacted on the market day preceding the date of the sale and purchase agreement.
- (e) "**market capitalisation**" of the Company is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreement.

References to Rules or Appendices pertain to those of the SGX-ST Listing Rules.

4. Declaration of Interests and Disqualification to Vote

Management shall present to the Board of Directors (the “**Board**”) any plan or proposal to enter into a Transaction with disclosure of the target company or assets, the vendor and the parties that will be engaged or otherwise be involved in the Transaction.

Without prejudice to the duty of the Directors, officers and controlling shareholders to periodically disclose their interests in companies or businesses other than the Company, each of the Directors, officers and controlling shareholders must disclose to the Board and the Company Secretary immediately upon notice or knowledge of the Transaction or any plan to pursue the Transaction, any interests the Director, officer and controlling shareholder may have in the target, the vendor or any party that will be engaged or involved in the Transaction. The Director, officer and controlling shareholder shall be deemed to have complied with this requirement by completing the disclosure form (attached to this Policy as “Annex 1”) and submitting the same to the Board and the Company Secretary. Any such interests must be announced in accordance with the applicable rules of the SGX-ST, the PSE and the SRC.

Pursuant to the SGX-ST’s and PSE’s rules, and the Company’s Articles of Association, any Director who has an interest in any particular business with the Company cannot vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly an interest. The interested Director cannot (i) participate in any discussions and deliberations concerning the Transaction and (ii) unless with the approval of the Chairman and the Board, remain in the meeting during any such discussions.

5. Due Diligence and Appraisal Requirements

Without limiting the steps that Management should take to properly evaluate a potential Transaction, Management shall conduct or lead the necessary due diligence investigation of the target company or assets.

The aim of the due diligence process is to:

- (a) Investigate, research and collate all relevant information in sufficient detail to make the decision to proceed with the Transaction or otherwise;
- (b) Uncover whether the Transaction will be in accordance with the Company’s or the Group’s interests; and
- (c) Uncover potential obstacles and put plans in place to address them.

At a minimum, the due diligence investigation shall include financial, operational and legal reviews of the target company or assets. The Company shall obtain the most recent audited financial statements of the target company or in connection with the target assets. Following review of the information from the due diligence process, Management shall recommend to the Board whether to proceed with the Transaction or otherwise, and provide in clear terms the basis for any such recommendation.

6. Valuation

The Company notes that the SGX-ST will apply the following rules in determining the basis of valuation of a transaction:

- (a) In any acquisition or disposal of shares, the value will be assessed by reference to:—
 - i. in the case of unlisted shares, the net asset value represented by such shares; and
 - ii. in the case of listed shares, the market value represented by such shares.

- (b) In any acquisition or disposal of assets other than shares, the value will be assessed by reference to the book value of the assets or, if a valuation has been carried out for the purpose of the acquisition or disposal, the market value of the assets.
- (c) Where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher.

7. Classification of Transactions

7.1 Transactions are classified into the following categories:—

- (a) **Non-Discloseable Transaction** – a Transaction where all the relative figures computed on the bases set out in clause 7.2.2 below amount to 5% or less, and Rule 73, 95 and 1009 of the SGX-ST Listing Rules do not apply.
- (b) **Discloseable Transaction** – a Transaction where any of the relative figures computed on the bases set out in clause 7.2.2 below exceeds 5% but does not exceed 20%.
- (c) **Major Transaction** – a Transaction where any of the relative figures computed on the bases set out in clause 7.2.2 below exceeds 20%.
- (d) **Very Substantial Acquisition or Reverse Takeover** – an acquisition of assets (whether or not deemed in the Company's ordinary course of business) where any of the relative figures computed on the bases set out in clause 7.2.2 below is 100% or more, or is one which will result in change in control of the Company.

7.2 Determining a Transaction's Proper Category

- 7.2.1. In determining whether a Transaction falls into category (a), (b), (c) or (d) under clause 7.1, the SGX-ST may aggregate separate Transactions completed within the last 12 months and treat them as if they were one transaction.
- 7.2.2. A Transaction may fall into category (a), (b), (c) or (d) of clause 7.1 depending on the size of the relative figures computed on the following bases:—
 - (a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.
 - (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
 - (c) The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.
 - (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.
 - (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

8. Approvals

Any Transaction of the Company or any ancillary arrangement related to the Transaction (including, but not limited to, due diligence engagements, option or escrow arrangements, etc.) involving an amount greater than U.S.\$500,000 shall be submitted to the Board for its approval.

A Major Transaction must be made conditional upon approval by shareholders in a general meeting. A circular containing the information required under clause 9.2.2 and 9.3.2 must be sent to all shareholders. This rule does not apply in the case of an acquisition of profitable assets if only the limit breached is with respect to the net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.

Very Substantial Acquisitions or Reverse Takeovers must be made conditional upon the approval of shareholders and the approval of the SGX-ST.

9. Announcements, Disclosures and Circulars

Unless a Transaction is a Non-Disclosable Transaction, the Company must announce the Transaction as soon as possible after the terms have been agreed, stating the information set out below. No confidentiality or non-disclosure agreement shall be signed by the Company which would prohibit or restrict the Company from making an announcement or disclosure of the Transaction.

Without limiting compliance with the following SGX-ST disclosure requirements, the Company shall also comply with the applicable requirements of the PSE (including, but not limited to, Sec. 4.4 of the PSE Revised Disclosure Rules) and the SEC.

9.1. Disclosable Transactions

For Disclosable Transactions, the Company must comply with all the disclosure requirements under Chapter 10 of the SGX-ST Listing Rules, including, but not limited to, Rule 1010, 1011, 1012 and 1013.

9.2 Major Transactions

9.2.1 After terms have been agreed, the Company must immediately announce all the Items required under Rule 1014 where applicable. In any event, the Company must comply with all disclosure requirements under Rule 1014.

9.2.2 A Circular must contain the information in Rule 1010 and must be sent to all shareholders.

9.2.3 Where a Major Transaction is not completed or is rescinded –

Where a Major Transaction is not completed or is rescinded by any party to the Transaction due to any reason, the Company must immediately announce via SGXNET the following:

- (a) the reasons for the non-completion or rescission of the Transaction;
- (b) the financial impact of the non-completion or rescission on the Company; and
- (c) the possible course(s) of action to protect the interests of the shareholders of the Company. Notwithstanding this, the Company must provide timely updates on the specific course of action, including its progress and outcome.

9.3 Very Substantial Acquisitions or Reverse Takeovers

9.3.1. After terms have been agreed, the Company must immediately announce all the items in Rules 1010, 1011, 1012 and 1013 where applicable, and provide the latest three (3) years of pro forma financial information of the assets to be acquired. In any event, the Company

must comply with all applicable disclosure requirements under Chapter 10 of the SGX-ST Listing Rules, including, but not limited to, Rule 1015.

- 9.3.2. A Circular must be sent to all shareholders containing the following –
- (a) Information required under Rule 1010, 1011, 1012, 1013 and Part II of Chapter 6 of the Listing Manual, where applicable;
 - (b) An accountants' report on the assets to be acquired and the enlarged group. [Rule 609](#) applies to the accountant's report;
 - (c) A statement by the directors in the form set out in [Rule 610\(3\)](#); and
 - (d) A statement by the financial adviser(s) in the form set out in paragraph 3(d) of [Appendix 8.2](#) of the SGX-ST Listing Manual.

10. Access to Agreement or Valuation

Unless a Transaction is a Non-Disclosable Transaction, when an agreement is entered into or a valuation is conducted on the assets to be acquired, the Company must include a statement in the announcement that a copy of the relevant agreement or valuation report is available for inspection during normal business hours, at such venues in Singapore and the Philippines or at such other location as the Directors may deem to be in the best interest of shareholders, for 3 months from the date of the announcement.

11. Interested Party Transactions

The provisions of the Listing Rules on Interested Person Transactions and the Company's Interested Person Transactions (IPT) Manual shall likewise apply to Transactions that are Interested Person Transactions.

12. Subsidiaries

The procedures and, to the extent applicable, the regulatory requirements above shall apply to Transactions undertaken or to be undertaken by any of the Company's subsidiaries.