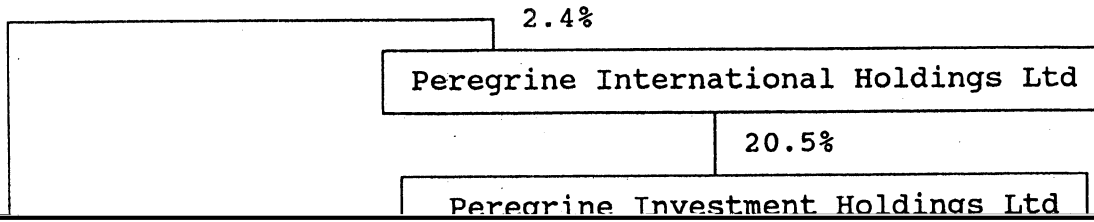


3. In the matter before the Panel, the Executive decided that SCFL cannot be regarded as suitable to give independent advice to the minority shareholders of Success because the Executive viewed various shareholdings common to the Seapower and Peregrine groups

8. Rule 2 is, along with all the other Rules of the Code, subject to the overriding statement in the Introduction to the General Principles that "it is impracticable to devise rules in sufficient detail to cover all circumstances which can arise in offers. Accordingly, persons engaged in offers should be aware that the spirit as

RELATIONSHIP BETWEEN PEREGRINE CAPITAL LTD
AND CERTAIN OTHER CORPORATE FINANCE LTD



--	--	--

2.6

Persons not suited to give independent advice

Appendix 2

A person who has, or had, a connection, financial or otherwise, with the offeror or offeree company of a kind likely to create a conflict of interest will not be regarded as a suitable person to give independent advice.

2.7

Independent financial advisers and independent shareholders

A financial adviser will not normally be considered to be inde-

the offeree company, or the controlling shareholder(s) of either of them, which is reasonably likely to affect the objectivity of his advice. If there are shareholders who are not independent because they have an interest in the proposed transaction other than their interest as a shareholder of the offeror or offeree