

# Related Party Transactions Policy

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## **1. Statement of Commitment**

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- 1.1 The Group is committed to ensuring that all decisions are made in the best interests of the Company as well as ensuring compliance with the law. The Company recognises that Related Party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are in the best interests of the Company and whether they require shareholder approval. Accordingly, it is appropriate to outline how such matters will be handled.
- 1.2 This Policy applies to all entities and Directors of the Group.

## **2. Introduction**

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- 2.1 Under the Corporations Act, the provision of a financial benefit to a Related Party of the Company requires shareholder approval, except in limited circumstances.

Under the ASX Listing Rules, certain transactions with persons in a position of influence in relation to the Group require shareholder approval.

The Board Charter requires Directors to avoid actual, potential or perceived conflicts of interest except in those circumstances permitted by the Corporations Act. The Board process includes confirmation by all Directors of their interests, including notification of any potential or actual conflicts of interest and Related Party transactions.

- 2.2 The Company's Code of Conduct also imposes an obligation on all Directors and members of the Company's executive team as well as all employees to declare actual and perceived conflicts of interest.
- 2.3 The purpose of this Policy is to provide the Company with the process of identification, review, approval and disclosure of Related Party Transactions. All Related Party Transactions, unless a Pre-approved Transaction, are to be reviewed and approved by the Board.

## **3. Definition of Related Party and Related Party Transaction**

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- 3.1 For the purposes of this policy, a Related Party Transaction includes the provision of a financial benefit to any Director or member of Key Management Personnel of the Company or any of their associates.

A Related Party Transaction is a transaction in which a Financial Benefit will or may be given to a Related Party or a member of KMP or any of their associates by any member of the Group.

#### **4. Definition of Financial Benefit**

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- 4.1 A financial benefit includes giving a financial benefit indirectly through an interposed entity, making an informal, oral or non-binding agreement to give the benefit, and giving a benefit that does not involve paying money. Examples of giving a financial benefit to a Related Party include, without limitation, the following:
- giving or providing the Related Party finance or property;
  - buying an asset from or selling an asset to the Related Party;
  - leasing an asset from or to the Related Party;
  - supplying services to or receiving services from the Related Party;
  - issuing securities or granting an option to the Related Party; and
  - taking up or releasing an obligation of the Related Party.

#### **5. Identification of Related Party transactions**

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- 5.1 Potential Related Party transactions are to be brought to the attention of the Company through the mechanisms outlined below.
- 5.2 Directors are to promptly notify the Company Secretary of any interests such person or immediate family member has or may have in a Related Party transaction. The Company Secretary must record these details in the Board 'Register of Interests'.
- 5.3 All Directors are asked to disclose or confirm details of, amongst other things at each Board and Committee meeting, details of any Related Party transactions.
- 5.4 On an annual basis as part of year end reporting, all KMP complete a questionnaire which is designed amongst other things, to disclose information about any Related Party transactions.

#### **6. Review, approval and ratification of Related Party transactions**

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- 6.1 Other than those transactions set out below in the 'Pre-approved Transactions' section, any Related Party transaction or proposed Related Party transaction is to be notified to the Company Secretary.
- The Company Secretary must then bring the Related Party transaction to the attention and consideration of the Board.
- 6.2 The Board is to be provided with all material facts of the proposed or existing Related Party transaction including the terms of the transaction, whether those terms are arms' length and the business purpose of the transaction.
- 6.3 The Board will consider the information provided in order to determine whether and how to proceed with the proposed transaction. In considering the information, the Board may seek further advice from appropriately qualified advisers and professionals as required, with the assistance of the General Counsel and/or Company Secretary.
- 6.4 A checklist of factors to be taken into consideration in determining whether a transaction is an 'arms' length' transaction is set out at Annexure 2 to this Policy. This checklist not exhaustive.

- 6.5 Any person with a material personal interest in the proposed transaction must not be present for discussion regarding the proposed transaction. For the avoidance of doubt, any Director with a material personal interest in the transaction must leave the room during voting on the transaction.
- 6.6 An independent expert's report is required for any transaction requiring shareholders' approval to provide an adequate valuation of a financial benefit. The independent expert will be selected and engaged by the directors who do not have an interest in the Related Party transaction. The independent expert will also be independent of the Company's external auditor and Directors.

## **7. Pre-approved Transactions**

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- 7.1 Transactions that do not require approval are 'Pre-approved Transactions', as follows:
- The appointment of each Director pursuant to the terms of a letter of appointment;
  - Director remuneration approved by the Board;
  - Reimbursement of Director expenses incurred in performing Director duties in accordance with the Company's policies, as amended from time to time;
  - Payment of indemnities, insurance premiums and legal expenses incurred in performing Directors' duties;
  - Transactions in the ordinary course of business that do not exceed \$5,000 per annum in aggregate;
  - A benefit given to a shareholder of the Company in their capacity as a shareholder, where the benefit does not discriminate unfairly against other shareholders of the Company; and
  - A benefit given as a result of a Court Order.

For the avoidance of doubt, any Pre-approved Transaction must be consistent with the exceptions set out in the Corporations Act.

## **8. Disclosure**

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- 8.1 Subject to the Corporations Act and applicable accounting standards, all Related Party transactions must be disclosed in the Company's Annual Report and are subject to any ASX Listing Rule requirements concerning disclosure to ASX.

## **9. Review of Policy and Guidance**

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- 9.1 The Board will review this Policy annually.
- 9.2 Compliance with the law and the requirements set out in this Policy is the responsibility of all directors, officers, employees and consultants of the Company. Any guidance provided in or under this Policy does not affect individual responsibility.

## 10. Definitions and Interpretation

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### 10.1. Definitions

<b>Term</b>	<b>Definition</b>
<b>ASX</b>	ASX Limited ACN 008 624 691 and the exchange operated by it
<b>Board</b>	The Company's board
<b>Company</b>	Shine Justice Ltd (ACN 162 817 905)
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth), as amended from time to time
<b>Director</b>	A director of the Company
<b>Employee</b>	Any employee of the Company
<b>Group</b>	The Company and all of the entities it controls
<b>Key Management Personnel</b>	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or not)
<b>Listing Rules</b>	The listing rules of ASX
<b>Related Party</b>	The meaning set out in Annexure 1
<b>Related Party Transaction</b>	The meaning given in clause 4.

### 10.2. Interpretation

Concepts not defined in this document, but which have a meaning in the Corporations Act or the Listing Rules have that same meaning in this document.

## **ANNEXURE 1**

### **IDENTIFYING POTENTIAL RELATED PARTIES**

#### **AASB 124 – Personally-related entity:**

In relation to a particular individual, the relatives<sup>1</sup> of the individual, the spouses of the relatives, and any other entity under the joint or several control or significant influence of the individual, relatives of the individual or spouses of relatives.

#### **Corporations Act:**

Section 228 of the Corporations Act includes as a related party the following:

- (a) an entity that controls the public company;
- (b) directors of the public company;
- (c) directors (if any) of an entity that controls the public company;
- (d) if the public company is controlled by an entity that is not a body corporate - each of the persons making up the controlling entity;
- (e) spouses and de facto spouses of the persons referred to in paragraphs (b), (c) and (d);
- (f) the parents and children of the persons referred to in (b), (c), (d) and (e);
- (g) entities controlled by any of the persons referred to in paragraphs (a), (b), (c), (d), (e) and (f), unless they are also controlled by the public company.

The definition of a related party under section 228 of the Corporations Act includes a person or entity that was a related party in the previous six months, or who would be a related party in the future.

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<sup>1</sup> Relatives includes spouse; parent; son, daughter; brother or sister.

## ANNEXURE 2

### FACTORS FOR DETERMINING WHETHER TRANSACTION IS ARMS' LENGTH

	Yes	No
1. Is the transaction a Pre-approved Transaction?		
2. How do the terms of the overall transaction compare with those of any comparable transactions on an arms' length basis?		
3. Are there any other options available to the Company? (For example, has a process for tender occurred?)		
4. Has any expert advice been received by the Company (including any professional or expert advice from appropriately qualified advisers)?		
5. Are the terms of the proposed transaction fair to the Company and on the same basis that would apply if the transaction did not involve a related party?		
6. Are the terms of the proposed transaction on terms that are less favourable to the Related Party than arms' length?		
7. Are there business reasons for the Company to enter into the proposed transaction?		
8. Will the proposed transaction impair the independence of the relevant Director?		
9. What are the implications for the Company's financial position and performance?		
10. What is/was the nature and content of the bargaining process (include reference to any unique or unusual terms/content)?		

If it is not clear that the potential transaction is on arms' length terms, then external independent advice from appropriately qualified advisers should be sought through the General Counsel and/or Company Secretary.