

RELATED PARTY TRANSACTION POLICY

1. Overview and Purpose

- 1.1 Transactions between an Elders Group Company and a Director or Senior Manager have the potential, if not regulated, to prejudice the interests of Elders Limited shareholders at the expense of the interests of the Director or Senior Manager.
- 1.2 This policy sets out the obligations of Elders and each Director or Senior Manager with respect to Related Party Transactions, and the procedures to be followed should a Related Party Transaction be proposed. This policy is in addition to the requirements of the *Corporations Act 2001 (Cth)* and the *ASX Listing Rules* (each of which will prevail to the extent of any inconsistency with this policy).

2. Definitions

- 2.1 **Board** means the board of directors of an Elders Group Company.
- 2.2 A **Conflict** experienced by a Director is any conflict arising in connection with a Material Personal Interest of the Director in relation to any matter which is or is likely to be brought before the Board of Elders.
- 2.3 **Director** means a director of an Elders Group Company.
- 2.4 **Elders** means Elders Limited (ACN 004 336 636).
- 2.5 **Elders Group Company** means Elders Limited and each of its subsidiaries.
- 2.6 **Financial Benefit** includes, but is not limited to:
 - (a) giving or providing finance;
 - (b) buying, selling or leasing an asset;
 - (c) supplying or receiving services;
 - (d) issuing securities or granting options; or
 - (e) taking up or releasing an obligation to the Related Party.

2.6 A **Material Personal Interest** is an interest which provides a personal benefit (whether that interest is direct, indirect, contingent or contractual) to the Director or an associated person or entity, which is of a real or substantial kind, and has the capacity to influence the vote of the Director on any matter being considered by the Board.

2.7 **Related Party** means:

- (a) any person or entity that controls Elders;
- (b) a director of an Elders Group Company;
- (c) a Senior Manager of Elders Group Company;
- (d) a spouse, parent or child of a person referred to in (b) or (c) of this definition;
- (e) any entity:
 - (i) controlled by a person referred to in (a), (b), (c) or (d) above; or
 - (ii) in which a person referred to in (a), (b), (c) or (d) above has a Material Personal Interest; and
- (f) any other person or entity whose relationship with an Elders Group Company is, in the opinion of the Elders Board, sufficient to make them a Related Party

2.8 **Senior Manager** means a member of Elders' Executive Committee or any employee of Elders occupying a position in any Elders Group Company of Managing Director, Chief Executive Officer, Executive General Manager or General Manager.

3. Policy Content

3.1 Prohibition on related party transactions

Elders and each Elders Group Company is prohibited from giving a Financial Benefit to a Related Party unless:

- (a) Elders' shareholders have approved the transaction; or

- (b) an exception set out in this Policy applies.

3.2 Circumstances in which a related party transaction is permitted

3.2.1 However, Elders recognises that related party transactions are sometimes in the best interests of Elders or an Elders Group Company. As a result, Elders will allow the giving of a Financial Benefit to a Related Party in the circumstances set out in clauses 3.2.2 to 3.2.7 with Elders Board approval when required under clause 3.3.

3.2.2 Elders will allow the giving of a Financial Benefit to a Related Party if the proposed related party transaction is on **arm's length terms** (or terms less favourable to the Related Party than arm's length terms). In determining whether the arm's length exception applies to a transaction, the Elders Board will have regard to the following factors:

- (a) the terms of the transaction;
- (b) the nature and content of the bargaining process and whether Conflicts were appropriately managed under the Elders' *Conflict of Interest and Conflicts of Duty Policy*;
- (c) the impact of the proposed transaction on Elders and its shareholders;
- (d) any other options to the related party transaction that are available and how the terms of each option compare with the terms of the related party transaction; and
- (e) any expert advice received in relation to the proposed transaction.

Elders will only rely on the arm's length exception in circumstances where the Elders Board is confident that the exception applies. If there is any doubt, shareholder approval will be sought in accordance with this policy.

3.2.3 Elders will allow the giving of a Financial Benefit to a Related Party where the financial benefit represents **reasonable remuneration** payable to the Related Party as an officer or employee, or the reimbursement of expenses.

3.2.4 Elders will allow the giving of a Financial Benefit to a Related Party if the Financial Benefit is **the giving of an indemnity, exemption or insurance policy** in respect of a liability incurred as an officer or employee.

- 3.2.5 Elders will allow the giving of a Financial Benefit to a Related Party where the value of the financial benefit (together with all other financial benefits given to the Related Party in the relevant financial year without shareholder approval) is **less than \$5,000**.
- 3.2.6 Elders will allow the giving of a Financial Benefit to a Related Party if the Financial Benefit is a **benefit given to a shareholder** of Elders that is provided equally to all shareholders of Elders.
- 3.2.7 Elders will allow the giving of a Financial Benefit to a Related Party that is given by Elders to a **wholly-owned subsidiary** (or vice versa).
- 3.2.8 Where the Elders Board is satisfied that one of the above exceptions applies, shareholder approval will not be required for the giving of the financial benefit.

3.3 Related party transactions to be referred to the Board

Where Elders or an Elders Group Member proposes to enter into a transaction with a Related Party, except as provided in clauses 3.4 and 3.5 the following procedure must be followed:

- (a) Full disclosure about the proposed transaction is to be made to the Company Secretary prior to the transaction being entered into. Such disclosure should include the following information:
 - (i) full details of the proposed transaction, including the parties and the nature of their relationship (that is, why they are or might be Related Parties);
 - (ii) whether an exception to the requirement to obtain shareholder approval applies or might apply;
 - (iii) why the exception (if any) applies to the proposed transaction; and
 - (iv) any other information appropriate or necessary in the circumstances for the Elders Board to determine whether the arm's length or any other exception applies.
- (b) The Company Secretary will compile the information provided and include an item in the agenda for the Elders Board to consider the proposed transaction at the next Directors' meeting.

- (c) Where appropriate, the Elders Board may refer to any internal or external advice or recommendations on the proposed transaction.
- (d) Where the Elders Board determines that the proposed transaction is on arm's length terms or subject to any other exception it may resolve to proceed with the proposed transaction on terms it considers appropriate.
- (e) Where the Board determines, based on the information available to it, that the proposed transaction is:
 - (i) not on arm's length terms;
 - (ii) not subject to any other exception; or
 - (ii) otherwise such that shareholder approval should be obtained,

and resolves that the proposed transaction should nevertheless proceed (subject to the required shareholder approval), the Board must put the proposed transaction to a meeting of shareholders to consider and, if thought fit, approve the proposed transaction.

3.4 Minor benefits and remuneration provided to employees

Any Financial Benefit described in 3.2.3 or 3.2.5 provided by an Elders Group Company to an employee of Elders or an Elders Group Company is not required to be referred to the Board in accordance with this policy if the Financial Benefit is:

- (a) in the ordinary course of business;
- (b) on arm's length terms;
- (c) provided to the employee in her or his capacity as an employee and not in any other capacity; and
- (d) otherwise approved in accordance with the terms of the Delegations of Authority and the ASX Listing Rules.

3.5 Indemnities, exemptions and insurance policies

Any Financial Benefit described in 3.2.4 provided by an Elders Group Company to an employee of an Elders Group Company is not required to be referred to the Board in accordance with this policy if:

- (a) the person receiving the benefit is not an officer of Elders; and
- (b) the agreement by which the indemnity, exemption or cover afforded by an insurance policy is on standard terms approved by Elders' General Counsel.

3.6 Protocols for negotiations with related parties

In respect of negotiations with Related Parties, the Board should consider putting in place protocols to ensure that the Related Party does not influence Elders' decisions. For example, the Board may put in place information barriers in relation to the proposed transaction, form a Board sub-committee to consider the proposed transaction and seek independent advice.

3.7 Compliance with *Conflict of Interest and Conflict of Duty Policy*

Any person who has a Material Personal Interest in the outcome of a proposed Related Party Transaction must comply with the requirements of the *Conflict of Interest and Conflict of Duty Policy*.

3.8 Disclosure of related party transactions

Details of all related party transactions will be disclosed in each annual report issued by Elders where required by Australian accounting standard AASB 124.

3.9 Register

The Company Secretary will keep and maintain a register of all related party transactions involving Elders or an Elders Group Member, including details of the transaction, the parties and whether shareholder approval was obtained or one of the exceptions applied.

4. Review Timeframes

The Board will review this Policy once every three years in order to ensure that it remains current with respect to legal and regulatory requirements.

5. Associated/Related Policies and Procedures

Elders Code of Conduct

Conflict of Interest and Conflict of Duty Policy

Delegations of Authority

6. Document Controls

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7. Document History

A list of all the revisions and dates of these for each policy. Helpful for context to understand how the policy has changed over time and for context.

Version	Date	Description of version & changes	Changes prepared by	Changes reviewed by	Approval	Date
1.0	April 2022	Initial version	N/A	N/A	Board	28 April 2022
1.1	September 2022	Update to extend policy application to Senior Managers	Peter Hastings	Peter Hastings	Board	30 September 2022