

# RELATED PARTY TRANSACTIONS POLICY

Mineral Resources Limited (the Company) 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.

The Company's Code of Conduct and Business Integrity also imposes an obligation on all Directors, Key Management Personnel (KMP) as well as all employees to declare actual and perceived conflicts of interests.

## POLICY

This policy applies to all entities, Directors, KMP and employees of the Company.

The purpose of this Policy is to provide the Company with a process to identify, review, approve and disclose Related Party Transactions. All Related Party Transactions, unless a Pre-approved Transaction (refer below) are to be reviewed and approved by the Company's Audit & Risk Committee (the Committee).

## DEFINITIONS

Refer Annexure 1 for a list of key definitions

## PROCEDURES

### IDENTIFICATION OF RELATED PARTY TRANSACTIONS:

Potential Related Party Transactions are to be brought to the attention of the Company through the mechanisms outlined below.

Directors, KMP and employees are to promptly notify the Company Secretary (email [CoSec@mrl.com.au](mailto:CoSec@mrl.com.au)) with respect to a proposed Related Party Transaction and shall disclose all material information concerning such Related Party Transaction and his or her interest in such transaction. The Company Secretary will record these details in the "Register of Interests".

- ▶ At each Board and/or Committee meeting, all Directors and KMP attending the meetings are asked to disclose or confirm details of, amongst other things, details of any Related Party transactions.

### REVIEW, APPROVAL AND RATIFICATION OF RELATED PARTY TRANSACTIONS BY THE COMMITTEE:

The Committee shall review the material facts of any proposed Related Party Transaction and make a recommendation to the Board to approve or disapprove of the entry into any proposed Related Party Transaction, subject to the exceptions described below.

- ▶ Where advance Committee review of a Related Party Transaction is not feasible or has otherwise not been obtained, then the Related Party Transaction shall be reviewed subsequently by the Committee (and such transaction may be ratified subsequently by the Committee).
- ▶ In connection with its review of a Related Party Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the Related Party Transaction. 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.

- ▶ If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party.
- ▶ Thereafter, the Committee shall periodically review and assess ongoing Related Party Transactions and/or relationships with any Related Party. Any material amendment, renewal or extension of a transaction, arrangement or relationship previously reviewed under this Policy shall also be subject to subsequent review under this Policy.
- ▶ The Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate.

#### **RELATED PARTY TRANSACTIONS REQUIRING A BOARD RESOLUTION:**

Where a Related Party Transaction is deemed necessary based on the qualitative nature of the transaction, a resolution is required by the Company's Board of Directors (where applicable, excluding those involved in the Related Party Transaction) to confirm that the transaction is on terms not materially less favourable than terms generally available from an unaffiliated third-party under the same or similar circumstances.

#### **EXCEPTIONS**

Transactions that do not require approval by the Committee are "Pre-approved Transactions", as follow:

- ▶ The appointment of each Director pursuant to the terms of a letter of appointment;
- ▶ Related Party arrangements in place at the date of implementation of the Policy
- ▶ 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 Director duties;
- ▶ A benefit is given to a Director in their capacity as a shareholder of the Company where the benefit does not discriminate unfairly against other shareholders of the Company; and
- ▶ A benefit is given as a result of a Court Order.

For the avoidance of doubt, any Pre-approved Transactions must be consistent with the exceptions set out in the Corporations Act 2001.

#### **DISCLOSURES**

Subject to the Corporations Act 2001 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 the ASX.



Derek Oelofse  
Group Financial Controller and Company Secretary

30 July 2021

## ANNEXURE 1

**Giving a financial benefit** includes the following:

- (a) giving a financial benefit indirectly, for example, through 1 or more interposed entities;
- (b) giving a financial benefit by making an informal agreement, oral agreement or an agreement that has no binding force;
- (c) giving a financial benefit that does not involve paying money (for example by conferring a financial advantage).

The following are examples of giving a financial benefit to a Related Party:

- (a) giving or providing the Related Party finance or property;
- (b) buying an asset from or selling an asset to the Related Party;
- (c) leasing an asset from or to the Related Party;
- (d) supplying services to or receiving services from the Related Party;
- (e) issuing securities or granting an option to the Related Party;
- (f) taking up or releasing an obligation of the Related Party. (*Corporations Act 2001 – Section 229*)

**Key Management Personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The positions generally considered as Key Management Personnel for the purpose of the operation of this policy is consistent with that applied for the Company's Security Trading Policy, as follows:

- 1. Directors
- 2. Senior Executives:
  - (a) Chief Financial Officer
  - (b) The Chief Operating Officers, and
  - (c) Other Senior Executive positions advised separately in writing by the Managing Director from time to time (*AASB124 Related Party Disclosures*)

**Related Party** is a person or entity that is related to the reporting entity. This would include the following:

- (a) A person or a close family member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control of the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity. (AASB 124 *Related Party Disclosures*)

***Related Party Transaction*** is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged (AASB124 *Related Party Disclosures*)

## ANNEXURE 2

### Factors for Determining Whether a Transaction is “Arms’ Length”

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? Are the terms less favourable or more favourable to the Company than arms’ length?
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 there business reasons for the Company to enter into the proposed transaction (including any financial or performance considerations)?
6. Will the proposed transaction impair the independence of the relevant Director?
7. What is/was the nature and content of the bargaining process (include reference to any unique or unusual terms/content)?