



RELATED PARTY TRANSACTIONS POLICY

GOLD HYDROGEN LIMITED

ABN 74 647 468 899



Gold Hydrogen: The Gold Standard in Green Energy

1. Purpose of this Policy

1.1 The purpose of this policy is to:

- (a) record Gold Hydrogen Limited's (the **Company**) commitment to complying with all related party transaction requirements under the Corporations Act and the ASX Listing Rules;
- (b) set out a framework for obtaining approval for all related party transactions; and
- (c) establish a clear process to comply with the Company's related party transaction obligations.

2. Policy

2.1 The Policy applies to all related parties of the Company and its subsidiaries (the **Group**).

2.2 In summary, all related party transactions must be:

- (a) notified to the company secretary of the Company (the **Company Secretary**) prior to their execution;
- (b) on arm's length terms; and
- (c) approved by the Board.

2.3 Related party transactions not on arm's length terms must be approved by the Company's shareholders.

3. Related party transactions

3.1 Giving financial benefits

The Company and members of the Group are prohibited from giving a financial benefit to a related party unless:

- (a) the Company's shareholders have approved the giving of the financial benefit; or
- (b) an exception applies.

As a Listed entity, the Company is also prohibited from entering into certain transactions with related parties without shareholder approval.

3.2 Who is a related party?

For the purposes of this Policy, the Company has adopted the following definition of a related party:

- (a) any person or entity that controls the Company;
- (b) a Director of the Company, or of a member of the Group, or of an entity that controls the Company;
- (c) the spouse, parents or children of the persons referred to in 3.2(a) and 3.2(b) above;
- (d) any entity controlled by a person referred to in 3.2(a), 3.2(b) or 3.2(c) above; or

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- (e) any other person or entity whose relationship with the Company or a member of the Group is, in the opinion of the Board, such that this Policy should apply to that person or entity.

The rules regarding related party transactions also apply to:

- (a) any person who has been a related party (as defined above) at any time in the last six months (even if they are not a related party, as defined above, at the time of the relevant transaction); and
- (b) any person who the Board believes, or has reasonable grounds to believe, is likely to become a related party (as defined above) at any time in the future.

If there is any doubt as to whether a particular person or entity is a related party of the Company for the purposes of this Policy, the matter should be referred to the Company Secretary and a decision will be made by the Board.

3.3 What is a financial benefit?

The term **financial benefit** is to be interpreted broadly.

When applying this Policy, the Board will have regard to the commercial nature of the transaction, and any consideration given for the benefit will be disregarded (even if the consideration is considered to be adequate).

Some examples of financial benefits include:

- (a) giving or providing finance or property (including buying, selling or leasing an asset);
- (b) supplying or receiving services; and
- (c) issuing securities or granting options.

4. **The exceptions**

There are a number of exceptions to the requirement to obtain shareholder approval for the giving of a financial benefit to a related party. However, unless one of these exceptions applies, shareholder approval must be obtained in accordance with this Policy prior to the giving of a financial benefit to a related party.

4.1 The 'arm's length' exception

The Company is not required to obtain shareholder approval for the giving of a financial benefit to a related party if the proposed transaction is on arm's length terms, or on terms that are less favourable to the related party.

In determining whether the arm's length exception applies to a transaction, the Board will have regard to the following factors:

- (a) the terms of the transaction;
- (b) any protocols adopted by the Company to ensure that conflicts of interest were appropriately managed;
- (c) the impact of the proposed transaction on the Company and its shareholders;
- (d) any other options that may be available; and
- (e) any expert advice received in relation to the proposed transaction.

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

4.2 Other exceptions

Other exceptions to the requirement to obtain shareholder approval for the giving of a financial benefit to a related party include:

- (a) where the financial benefit represents reasonable remuneration payable to the related party as an officer or employee, or the reimbursement of expenses;
- (b) the giving of an indemnity, exemption or insurance policy in respect of a liability incurred as an officer or employee;
- (c) benefits given to a shareholder of the Company that do not discriminate unfairly against other shareholders of the Company; and
- (d) benefits given by the Company to a wholly owned subsidiary (or vice versa).

Where the Board is satisfied that one of the above exceptions applies, shareholder approval may not be required for the giving of the financial benefit, provided that all times the Company remains in compliance with the requirements of the Corporations Act and the ASX Listing Rules.

5. Dealing with related party transactions

5.1 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 the Company's decisions. For example, it may be appropriate to:

- (a) put in place 'Informational Barriers' in relation to the proposed transaction;
- (b) form a Board sub-committee to consider the proposed transaction; and
- (c) seek independent advice.

5.2 All related party transactions to be referred to the Board

Where a member of the Company proposes to enter into a transaction with a related party the following procedure must be followed:

- (a) Full and appropriate disclosure about the proposed transaction is to be made to the Company Secretary and Board Chair prior to any transactions being entered into. Such disclosure should include the following information:
 - (1) full details of the proposed transaction, including the parties and the nature of their relationship (that is, why they are or might be considered to be related parties);
 - (2) whether an exception to the requirement to obtain shareholder approval applies or may apply;
 - (3) why the exception (if any) applies to the proposed transaction; and
 - (4) any other information appropriate or necessary in the circumstances for the Board to determine whether the arm's length or any other exception applies.

- (b) The Company Secretary (on behalf of the Chair) will compile the information provided and include an item in the agenda for the Board to consider the proposed transaction at the next Director's meeting.
- (c) Where appropriate, the Board may refer to any internal or external advice or recommendations on the proposed transaction.
- (d) Where the Board determines that the proposed transaction is on arm's length terms or subject to any other exception such that shareholder approval is not required, 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:
 - (1) not on arm's length terms;
 - (2) not subject to any other exception; or
 - (3) such that shareholder approval should nevertheless be obtained,and resolves that the proposed transaction should nevertheless proceed (subject to the required shareholder approval), the Board must call a meeting of shareholders to be held to consider and, if thought fit, approve the proposed transaction.

The procedures set out in this Policy must be complied with in relation to all related party transactions.

However, any routine transactions entered into by a member of the Company in the ordinary course of business and on arm's length terms are not required to be referred to the Board in accordance with this Policy.

5.3 Persons with material interest not to participate

Any person who has a material personal interest in the outcome of a proposed related party transaction must disclose that interest to the Company Secretary and Board Chair, who will notify all other members of the Board. The interested person must not participate or be anyway involved in the decision-making process of the Company or the Board in relation to the proposed related party transaction.

Where the interested person is a Director of the Company, he or she must not:

- (a) be present while the proposed transaction is being considered by the Board; or
- (b) vote on the proposed transaction.

All related party transactions (including those that are determined by the Board to be on arm's length terms or otherwise subject to an exception must be appropriately recorded and documented.

5.4 Disclosure of related party transactions

Details of all related party transactions are to be fully disclosed in each annual report issued by the Company in accordance with Australian Accounting Standard AASB 124.

6. Listing Rule 10.11

- 6.1 Listing Rule 10.11 provides that a listed company shall not without shareholder approval issue securities to a related party.
- 6.2 A number of exceptions to this rule are contained in Listing Rule 10.12.
- 6.3 However, unless one of these exceptions applies, shareholder approval must be obtained for the issue of securities to a related party.

7. Miscellaneous

7.1 Register

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

7.2 Review of Policy

This Policy will be reviewed by the Board as necessary to ensure that it remains relevant and appropriate to the Company, to determine the effectiveness of the Policy, and to make any changes necessary.

Version	Last periodic review	Last update	Approver
1.0	August 2022	August 2022	Board