



Related Party Transactions Policy

Paragon Care Limited

ACN 064 551 426

1. Statement of commitment

- 1.1. Paragon Care Limited 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. Accordingly, it is appropriate to outline how such matters will be handled.
- 1.2. This Policy applies to:
 - (a) all Directors of the Company (**Directors**), key management personnel (including the Chief Executive Officer) and senior executive officers of the Company;
 - (b) all employees of the Company; and
 - (c) all Related Party of directors and officers of the Company.
(collectively "**Officers**")
- 1.3. The Policy does not apply to any external consultants or other third parties, who are governed by the contractual terms of their appointment.

2. Introduction

- 2.1. In accordance with the Corporations Act, Directors are required to avoid actual, potential or perceived conflicts of interest. The Board processes include confirmation by all Directors of their interests, including notification of any potential or actual conflicts of interest and related party transactions.
- 2.2. Chapter 2E of the Corporations Acts provides that a public company must not give a financial benefit to a related party without the approval of shareholders, unless an exception applies.
- 2.3. In addition to the Corporations Act requirements, the Company must comply with Chapter 10 of the Listing Rules relating to transactions with persons in a position of influence.
- 2.4. This Policy details 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

- 3.1. The term 'related party' is defined in section 228 of the Corporations Act. The full text of that section is extracted in Annexure 1 of this Policy.
- 3.2. For the purposes of financial reporting, AASB 124 sets out the relevant definition for a 'related party'. The full text of that definition is extracted in Annexure 1 of this Policy.
- 3.3. If there is any doubt as to whether a particular person or entity is a related party of the Company for the purpose of this Policy, the matter should be referred to the Chief Executive Officer or Company Secretary.

4. Corporations Act requirements

4.1. Financial Benefits

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:

- (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; and
- (f) taking up or releasing an obligation of the related party.

4.2. 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 under sections 210 to 216 of the Corporations Act. These include, but is not limited to financial benefits that:

- (a) would be reasonable in the circumstances if the Company and the related party were dealing at 'arms' length terms;
- (b) constitutes reasonable remuneration or payment or reimbursement of expenses incurred in the performance of duties as an officer or employee of the Company;
- (c) include certain indemnities, exemptions or insurance premiums in respect of liability incurred as an officer of the Company that are reasonable in the circumstances;
- (d) are in aggregate less than \$5,000 in a financial year;
- (e) is given to the related party in their capacity as a shareholder of the Company where the benefit does not discriminate unfairly against other shareholders of the Company; or
- (f) a benefit is given as a result of a Court order.

Unless one of the exceptions under sections 210 to 216 of the Corporations Act apply, shareholder approval must be obtained in accordance with this Policy and the Corporations Act prior to the giving of a financial benefit to a related party.

5. Listing Rules – transactions with a person in a position of influence

- 5.1. In addition to the Corporations Act requirements, the Company must also comply with the Listing Rules, specifically with the provisions in Chapter 10 of the Listing Rules relating to transactions with persons in a position of influence. This includes, amongst other things, acquisitions of substantial assets by the Company or its subsidiaries from certain persons under Listing Rule 10.1, as well as the acquisition of securities in the Company by certain persons under Listing Rule 10.11. Unless an exception applies, the Company will require shareholder approval prior to entering into such transactions.

6. Identification of related party transactions.

- 6.1. Potential related party transactions must be brought to the attention of the Company through the mechanisms outlined below.
- 6.2. Directors are to promptly notify the Company Secretary of any interests he or she, or an immediate family member, has or may have in a related party transaction. The Company Secretary must record these details in the Board's "Register of Interests".
- 6.3. On an ongoing basis during the year and as part of annual reporting all key management personnel must confirm the registered interests and/or complete a questionnaire which is designed amongst other things, to disclose information about any related party transactions.

7. Review, approval and ratification of related party transactions

- 7.1. Any related party transaction or proposed related party transaction (other than a Pre-Approved Transaction) must be notified to the Company Secretary. The Company Secretary must then bring the related party transaction to the attention and consideration of the Board.
- 7.2. The Board must be provided with all material facts of the proposed or existing related party transaction including the terms of the transaction, whether those terms are on arms' length and the business purpose of the transaction.
- 7.3. 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 Company Secretary.
- 7.4. 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 is not exhaustive.
- 7.5. 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 person interest in the transaction must leave the room during voting on the transaction.
- 7.6. An independent expert's report is required for any related party transaction requiring shareholder 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.

8. Pre-approved Transactions

- 8.1. The following transactions are "Pre-Approved Transactions":
 - (a) the appointment of each Director pursuant to the terms of a letter of appointment;
 - (b) Director remuneration approved by the Board that are reasonable in the circumstances;
 - (c) reasonable reimbursement of Director expenses incurred in the performance of their duties as directors in accordance with the Company's policies, as amended from time to time;
 - (d) payment of indemnities, insurance premiums and legal expenses incurred by Directors in the performance of their duties that are reasonable in the circumstances;
 - (e) transactions where a related party receives a financial benefit that does not exceed \$5,000 per annum in aggregate;
 - (f) a benefit is given to the Director in their capacity as a shareholder of the Company where the benefit does not discriminate unfairly against other shareholders of the Company; and
 - (g) 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 sections 210 to 216 of the Corporations Act.

9. Protocols for negotiations with related parties

- 9.1. 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 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.

10. Non-Compliance

- 10.1. If the Company does not obtain shareholder approval and the financial benefit does not fall within one of the exemptions, it will have committed an offence under section 209 of the Corporations Act.
- 10.2. Officers of the Company involved in the contravention may have committed an offence if their involvement was dishonest.

11. Disclosure

- 11.1. 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.
- 11.2. Under AASB 124 Related Party Disclosures, the Company is required to include certain disclosures in its financial statements to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances. Including commitments, with such parties.
- 11.3. It is therefore incumbent on the Board to ensure that appropriate disclosures are made in relation to dealings with financial parties in compliance with AASB 124.

12. Review of Policy and Guidance

- 12.1. The Policy must be reviewed by the Board every 2 years or as may be required to ensure it is operating effectively. Any recommended changes must be approved by the Board.
- 12.2. 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.
- 12.3. The Policy will be available on the Company's website within a reasonable time after such updates or amendments have been approved.

13. Approved and Adopted

- 13.1. This Policy was approved and adopted by the Board on 30 April 2025.

14. Definitions and Interpretation

Definitions

In this document:

Term	Definition
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of Directors of the Company.
Company	means Paragon Care Limited ACN 064 551 426.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company appointed from time to time.
Pre-Approved Transaction	has the meaning given in section 8.
related party	has the meaning given in section 228 of the Corporations Act, which is replicated in Annexure 1.
Listing Rule	means the listing rules of ASX.
Policy	means this Related Party Transactions Policy.

14.2. Interpretation

Terms not defined in this document but which have a meaning in the Corporations Act have that same meaning in this document.

ANNEXURE 1

Definition of Related Party

AASB 124

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over 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)
 - (viii) 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).

Corporations Act

Section 228 of the Corporations Act defines a 'related party' of a public company as 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;
- (h) an entity that was a related party of the public company by virtue of paragraphs (a) to (g) in the previous six months;
- (i) an entity that believes or has reasonable grounds to believe that it is likely to become a related party of the public company by virtue of paragraphs (a) to (g) at any time in the future; and
- (j) an entity which acts in concert with a related party of the public company by virtue of paragraphs (a) to (g) on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit.

ANNEXURE 2

FACTORS TO CONSIDER WHEN 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?
3. Are there any other options available to the Company? (For example, has a process for tender occurred?)
4. 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?
5. Are the terms of the proposed transaction on terms that are less favourable to the related party than arms’ length?
6. Are there sound business reasons for the Company to enter into the proposed transaction? If so, what are they?
7. Will the proposed transaction impair the independence of the relevant Director or key management personnel?
8. What are the implications for the Company’s financial position and performance by entering into this transaction?
9. 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 Company Secretary.