

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES



RELATED PARTY TRANSACTIONS POLICY

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THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

RELATED PARTY TRANSACTIONS POLICY

Introduction

The Rice Marketing Board for the State of New South Wales (the Board) is committed to best practice governance and disclosure of any related party transactions.

The Board operates in accordance with the NSW Government requirements that all NSW public sector entities preparing general purpose financial statements, including the Board, must adhere to the requirements of NSW Treasury Circular TC16-12 and Australian accounting standard AASB124 regarding related party disclosures.

Policy

It is the policy of the Board to manage any risks associated where the interests of a related party may influence the decision-making of Board Members to the detriment of the interests of members of the Board as a whole when the Board is considering whether to enter into a transaction with a related party.

In accordance with good governance, this policy clarifies the Board's requirements in relation to:

- (i) The early identification of related party transactions;
- (ii) The review and approval of related party transactions;
- (iii) The disclosure of related party transactions in the Board's Financial Statements.

Definitions

"Close Family Member" of a person include those family members who may be expected to influence or be influenced by that person in their dealings with the Board. Unless estranged, this includes that person's children and spouse or domestic partner, children of that person's spouse or domestic partner, dependants of that person, or that person's spouse or domestic partner. Other family members (such as siblings, parents or an extended family member) of a person may be caught by this definition if the family member has the ability to influence or be influenced by that person. Children include step, adoptive, dependant, adult children and children not living at home (unless they are estranged). Spouse or domestic partner includes married, de facto, civil union partnerships, but excludes separated or divorced spouses and partners.

"Related Party" is a person or a close family member of that person who has control, joint control or significant influence over the Board and includes:

- (i) Member, nominee for member or employee of the Board;
- (ii) Close Family Member of a member, nominee for member or employee of the Board.

"Related Party Transaction" is a transfer of resources, services or obligations between the Board and a related party, regardless of whether a price is charged.

III. Identification of Related Party Transactions

Members, nominees for member and employees will promptly notify the Board's Secretary, preferably prior to the event, of any interest such person or a close family member of such person had, has or may have in a related party transaction. The Board Secretary will immediately bring the matter to the attention of the Chairman of the Board or Chairman of the Governance, Nominations and Remuneration Committee for further action.

V. Review of Related Party Transactions

The Board, excluding the Board Member or employee concerned, will review the material facts of all related party transactions that require the Board's approval and either approve or disapprove such transactions. In assessing a related party transaction, the Board shall consider such factors as it deems appropriate, including without limitation:

- (i) The costs and benefits to the Board of the transaction;
- (ii) The commercial reasonableness of the terms of the related party transaction;
- (iii) The materiality of the related party transaction to the Board;
- (iv) The extent of the related party's interest in the related party transaction;
- (v) If applicable, the impact of the related party transaction on a member's independence; and
- (vi) The actual or apparent conflict of interest of the related party participating in the related party transaction.

No Board member shall participate in the evaluation or approval of any related party transaction for which he or she is a related party, except that the member shall provide all material information concerning the related party transaction to the Board.

If a related party transaction will be ongoing, the Board may, at its discretion, establish guidelines for the Board's management of its ongoing relationships with the

related party including periodically reviewing and assessing the relationship with the related party to ensure that it is in compliance with the Board's guidelines.

V. Disclosure

All related party transactions shall be disclosed in the Board's Financial Statements as required pursuant to accounting standard AASB 124, as amended.

Further Information

For further information concerning the Board's Related Party Transactions policy, please contact:

The Secretary
The Rice Marketing Board for the State of New South Wales
PO Box 151
LEETON NSW 2705
Telephone: (02) 6953 3200
Facsimile (02) 6953 7684
E-mail: secretary@rmbnsw.org.au