



## **Policy and Procedures for Reviewing Related Person Transactions**

### **Policy**

The Company recognizes that Related Person Transactions (as defined later) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its stockholders. Accordingly, it is the Company's preference generally to avoid all Related Person Transactions.

The Company recognizes, however, that there may be situations where Related Person Transactions may be in or not inconsistent with the best interests of the Company and its stockholders. The Company has therefore adopted the following procedures for the review, approval or ratification of Related Person Transactions.

### **Definitions**

#### **A Related Person is**

- any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company,
- any person who is known to be the beneficial owner of more than five percent (5%) of the Company's common stock, or
- any immediate family member of a person described in one of the first two bullet points above, and in this regard,
  - an **immediate family member** means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of, or anyone (other than an employee or tenant) sharing the household of, a person described in one of the first two bullet points above.

**A Related Person Transaction** is any financial or other transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships), including any indebtedness or guarantee of indebtedness, in which

- the Company (or any subsidiary) was, is or will be a participant,

- the aggregate amount involved exceeds \$120,000.00, and
- any Related Person had, has or will have a direct or indirect material interest<sup>1</sup>.

A Related Person's "**material interest**" in a transaction must be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved in the transaction are among the factors to be considered in determining the significance of the information to investors. In administering this policy, the Audit Committee of the Board shall be entitled (but not required) to rely upon determinations of materiality by Company management.

A Related Person will not be deemed to have an "indirect material interest" in a transaction if the interest arises only:

- from the person's position as a director of another corporation or organization that is a party to the transaction; or
- from the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent equity interest in another person (other than a partnership) which is a party to the transaction; or
- from a combination of both of the first two bullet points above; or
- from the person's position as a limited partner in a partnership in which the person and all other Related Persons have an interest of less than ten percent, and the person is not a general partner of and does not have another position in the partnership.

Conversely, a Related Person may have an indirect material interest in a transaction if such person is an employee, general partner, principal, or in a similar position, and/or together with all other Related Persons, is a ten percent or more equity holder in another person that is a party to the transaction.

## Procedures

The Audit Committee shall review each Related Person Transaction in advance and either approve or disapprove of the Company's entering into the Related Person Transaction. The Company shall not enter into any Related Person Transaction that the Audit Committee has disapproved.

The Audit Committee shall consider all of the relevant facts and circumstances available to the Audit Committee, including, as applicable:

- the benefits to the Company

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<sup>1</sup> Note that the Company, rather than the individuals involved, has the role of assessing the materiality of the Related Person's interest in the transaction.

- the effect on the director's independence if the Related Person is a director or an immediate family member of a director,
- the materiality and character of the Related Person's interest,
- the availability and opportunity costs of other sources for comparable products or services,
- the terms of the transaction, and
- the terms available to unrelated third parties or to employees generally.

No member of the Audit Committee shall participate in any review or approval (or ratification) of any Related Person Transaction in respect of which he or she or any member of his or her immediate family is the Related Person.

The Audit Committee shall approve (or ratify) a Related Person Transaction if and only if it is in or not inconsistent with the best interests of the Company and its stockholders, as the Audit Committee determines in good faith.

If any executive officer of the Company becomes aware of a Related Person Transaction that the Audit Committee has not approved or ratified, he or she shall promptly inform the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances available to the Audit Committee, and

- if the Related Person Transaction is pending or ongoing, the Audit Committee may ratify, amend or terminate the transaction,
- if the Related Person Transaction has been completed, the Audit Committee may ratify or rescind the transaction, and
- in either case, the Audit Committee may direct one or more executive officers, the Company's internal auditors, or the Company's independent public accountants to evaluate the Company's internal controls and procedures to determine why the transaction was not submitted to the Audit Committee for prior approval and to report whether any changes to the Company's internal controls and procedures are recommended.

### **Exclusions from Review**

The following types of Related Person Transactions shall not be subject to review by the Audit Committee.

- any employment by the Company of an executive officer if:
  - the executive officer's compensation is required to be reported in the Company's proxy statement under Item 402 of SEC Regulation S-K (which is generally applicable to "named executive officers"), or
  - (i) the executive officer is not an immediate family member of another

executive officer or director of the Company, (ii) the executive officer's compensation would be reported in the Company's proxy statement under Item 402 of Regulation S-K if the executive officer were a "named executive officer," and (iii) the Compensation Committee of the Board of Directors approved (or recommended that the Board approve) the executive officer's compensation,

- any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of Regulation S-K.

Originally Adopted by the Board of Directors as of October 1, 2014

Revised and Approved by the Board of Directors as of November 8, 2016

Revised and Approved by the Board of Directors as of November 5, 2019

Revised and Approved by the Board of Directors as of November 2, 2021