

# COLLECTORS UNIVERSE, INC.

## RELATED PARTY TRANSACTION POLICY

(Adopted August 6, 2020)

### 1. ADOPTION OF POLICY

Collectors Universe, Inc. (the "Company") has developed, and one of its most important assets is, the reputation it has earned for honesty, integrity and fair dealing. The Company's Board of Directors believes that the avoidance not only of conflicts of interest, but even the very appearance of conflicts of interest, is critical to the Company's ability to maintain its reputation for honesty, integrity and fair dealing. Therefore, the Board of Directors is adopting this Related Party Transaction Policy which requires the approval or ratification, in accordance with the procedures set forth below, of Related Party Transactions, as that term is defined in this Policy.

### 2. CERTAIN DEFINITIONS

When used in this Policy, the following terms will have the respective meanings set forth below:

"Affiliate" means a person who directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified Person. For example, the following Persons are deemed, for purposes of this Policy, to be Affiliates of the Company: (i) its Directors and Executive Officers, and (ii) any holder of 5% or more of the Company's outstanding voting securities.

"Non-Affiliate" means a person that is not an Affiliate of the Company (as defined above).

"Related Person" means and includes any executive officer, director, or any Person that owns, beneficially, more than five percent (5%) of the outstanding shares of voting stock of the Company, and any Person nominated by the Company's Board of Directors for election as a Company Director (a "Director Nominee"), and any Immediate Family Member and any Related Entity of any of the foregoing Persons.

"Immediate Family Member" means any spouse, parent, sibling, child, stepchild, step-parent, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a Related Person, and any person (other than a tenant or an employee) sharing the household of a Related Person.

"Related Entity" means (i) any corporation or limited liability company with respect to which a Related Person is an executive officer or holds a position substantially similar thereto, or is owner of more than 10% of its equity securities or ownership interests and (ii) any partnership (general or limited) or joint venture entity of which a Related Person is a general partner or exercises authority similar to that of a general partner.

"Direct or Indirect Interest" means a financial or other pecuniary or beneficial interest that a Related Person may have directly, or indirectly through an Immediate Family Member or a Related Entity.

"Related Party Transaction" means a financial or business transaction, arrangement or relationship (i) in which the aggregate amount involved will or is expected to exceed \$120,000 in any fiscal year, (ii) with respect to which the Company or any of its subsidiaries is a party or participant and in which any Related Person, or any Immediate Family Member or Related Entity of a Related Person, has or will have a material Direct or Indirect Interest, and (iii) which is not an Pre-Approved Transaction (as such term is defined in Section 5 of this Policy).

"Executive Officer" means and includes any individual who has been designated or otherwise determined to be an officer of the Company subject to Section 16 of the Securities Exchange Act of 1934.

"Named Executive Officer" and "NEO" shall each mean those Executive Officers of the Company who were included in the Summary Compensation Table in the Company's most recent definitive Proxy Statement filed with the SEC pursuant to the Exchange Act.

"Audit Committee" mean the Audit Committee of the Board of Directors of the Company.

"Person" means and includes any individual, corporation, limited liability company, general or limited partnership, joint venture, or other entity (whether or not incorporated).

"SEC" means the Securities Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Regulation S-K" refers to the SEC's Standard Instructions for Filing Forms under the Securities Act and the Exchange Act, which is set forth, beginning at Subpart 229.10, in Title 12 of the Code of Federal Regulations, and as such Regulation may be amended from time to time hereafter.

### **3. APPROVAL OR RATIFICATION OF RELATED PARTY TRANSACTIONS**

3.1 General Rule. Subject to the exceptions for Pre-Approved Transactions set forth in Section 5 below, neither the Company nor any of its subsidiaries shall enter into or consummate a Related Party Transaction if the Audit Committee determines, in the manner and based on the factors set forth in Section 4 of this Policy, that the Transaction is or will be unfair to the Company and, as a general rule, unless otherwise determined by the Audit Committee, a Related Party Transaction that is or will be materially less favorable from a financial standpoint to the Company than similar transactions between the Company and any unaffiliated Person under the same or similar circumstances, will be deemed unfair to the Company.

3.2 Investment Opportunities Sponsored by the Company. Executive Officers and Immediate Family Members who share an Executive Officer's household may not invest directly, or indirectly through any entity, in partnerships or other investment opportunities sponsored, or otherwise made available, by the Company unless their participation is approved by the Audit Committee in accordance with this Policy.

3.3 Policy Applicable to Corporate Opportunities. Except with the prior approval of the Board, no Director or Executive Officer, or any Immediate Family Member or Related Entity of a Director or Executive Officer or any Related Entity of a Director or Executive Officer or Immediate Family Member, may take advantage of an investment or other business opportunity that is made or becomes available to him or her, or to an Immediate Family Member or Related Entity, as a result of such Director's or Executive Officer's position with the Company or in the course of or in connection with the performance by a Director or Executive Officer of his or her duties for the Company in his or her capacity as such.

### **4. PROCESS FOR EVALUATING AND APPROVING RELATED PARTY TRANSACTIONS**

4.1 Notification of Proposed Related Party Transactions. Each Director and Executive Officer shall promptly notify the Chairman of the Audit Committee or the Company's Chief Financial Officer, orally and/or in writing, of any Direct or Indirect Interest that such Director or Executive Officer, or any Immediate Family Member or Related Entity of such Director or Executive Officer has or may have in a Related Party Transaction, unless such Transaction is a Pre-Approved Transaction (as defined below). The notice shall include (i) a description of the Transaction and its material terms and conditions, (ii) the aggregate dollar amount involved in the Transaction and the terms on which such dollar amount will be paid, and (iii) the nature of the Direct or Indirect Interest that such Director, Executive Officer, Immediate Family Member or Related Entity has or will have in the Transaction.

#### 4.2 Review of Related Party Transactions

(a) The Audit Committee shall be responsible for reviewing and determining whether the Company's participation in a Related Party Transaction is to be approved or rejected.

(b) No member of the Audit Committee or any other Director shall participate in any review or discussion of, or the making of any determinations with respect to, any Related Party Transaction by the Audit Committee if he or she, any Immediate Family Member or Related Entity will have or has a Direct or Indirect Interest in such Related Party Transaction.

(c) If notice of a Related Party Transaction has been given to the Chairman of the Audit Committee and it is not practicable to convene a meeting of that Committee to review and take action with respect to the Transaction, then the Chairman of the Audit Committee may, in his or her discretion, conduct such review and

determine, in accordance with the principles and requirements of this Policy, whether or not to approve the participation or involvement of the Company or any of its subsidiaries in such Transaction with the Related Person. If the Audit Committee Chairman so approves such participation or involvement by the Company or any of its subsidiaries in any such Transaction, the Chairman of the Audit Committee shall promptly notify the other members of the Committee and request that the Committee determine, as soon as reasonably practicable thereafter, whether or not to ratify such approval.

(d) At each meeting of the Board, the Chairman of the Audit Committee, or in his or her absence another member of that Committee, shall present a report regarding the Related Party Transactions which the Committee reviewed subsequent to the previous Board meeting. Such report shall include a description of and the action taken by the Committee with respect to each such Related Party Transaction and shall provide such other information as the Board may request with respect to any such Transaction.

4.3 Factors to be Considered by the Audit Committee. In determining whether or not to approve the participation or involvement by the Company or any subsidiary in a Related Party Transaction, the Audit Committee shall take into account such factors as it deems appropriate under the circumstances, which may (but need not) include any of the following:

- the approximate dollar value of the Related Party Transaction and the approximate dollar value and nature of the Direct or Indirect Interest of the Related Party in the Transaction;
- the nature and extent of the Company's interest or participation in the Related Party Transaction;
- whether or not the terms of the Related Party Transaction are, in all material respects at least as favorable, from a financial standpoint, to the Company as those which are generally available to the Company from unaffiliated third parties under similar circumstances;
- whether consummation of the Related Party Transaction poses any potential reputational risks for the Company;
- whether the Transaction would impair an outside director's independence;
- whether proceeding with the Transaction would violate any of the Company's other corporate governance policies; and
- the overall fairness of the Proposed Transaction to the Company.

4.4 Related Party Transactions which have not been Reviewed by the Audit Committee. In the event the Company becomes aware of a Related Party Transaction that has not been approved in accordance with this Policy, the Transaction shall be reviewed by the Audit Committee or the Board, which shall consider all of the relevant facts and circumstances relating to the Transaction, including any of the factors described in Subsection 4.3 above, and shall evaluate all alternatives that may be available to the Company for remedying any violation of this Policy, which may include the ratification or revision of, or termination of the Company's participation in, the Related Party Transaction. The Audit Committee or the Board, as the case may be, also shall examine the facts and circumstances regarding the failure to have reported such Related Party Transaction to the Chairman of the Audit Committee or the Company's Chief Financial Officer as required by this Policy.

## 5. **PRE-APPROVED RELATED PARTY TRANSACTIONS**

The Audit Committee has determined that each of the following types of transactions between the Company or any of its subsidiaries, on the one hand, and any Related Person, on the other hand, will not be subject to this Policy, even if the aggregate amount involved in the transaction exceeds \$120,000 (such Transactions, "*Pre-Approved Transactions*").

5.1 Employment of Executive Officers. The employment by the Company of any Executive Officer will constitute a Pre-Approved Transaction, if:

(a) the compensation to be paid to the Executive Officer is required to be reported in the Company's proxy statement under Item 402 of Regulation S-K generally applicable to Named Executive Officers; or

(b) the Executive Officer is not an Immediate Family Member of another Executive Officer or director of the Company and his or her compensation would be reported in the Company's proxy statement under Item 402 of the SEC Regulation S-K if the Executive Officer was a Named Executive Officer and the Company's Compensation Committee has approved (or recommended that the Board approve) such compensation.

5.2 Equity Incentive Grants or Awards. The granting or award of stock options, restricted stock or other equity incentives to an Executive Officer or Director or 5% Stockholder pursuant to an option or equity incentive plan that has been approved by the Company's stockholders and satisfies the conditions to the exemption provided by Rule 16(b)-3 under the Exchange Act.

5.3 Director Compensation. Any compensation paid to a member of the Board if such compensation is required to be reported in the Company's proxy statement under Item 402 of Regulation S-K and is so reported.

5.4 Certain Transactions with Certain Other Companies or Entities. Any transaction by the Company or any subsidiary with another company or entity with which a Related Person has a relationship, if that relationship is limited to any of the following: (a) serving as a director or an employee of that other company or entity, provided, that the Related Person is not an executive officer thereof and does not have the power or authority that is equivalent to that of an executive officer generally, (b) owning, beneficially, less than 10% of that other company's outstanding voting securities or the other entity's outstanding ownership interests (as the case may be), or (c) being a limited partner of a partnership, provided that the aggregate amount of or involved in such transaction does not exceed the greater of \$1,000,000 or two percent (2%) of that other company's or entity's total annual revenues.

5.5 Certain Company Charitable Contributions. Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university of which a Related Person is an employee, if the aggregate amount involved does not exceed the lesser of \$1,000,000 or two percent (2%) of the charitable organization's total annual receipts.

5.6 Transactions Where All Shareholders Receive Proportional Benefits. Any transaction where the Related Person's interest arises solely from the ownership of Company common stock and all holders of the Company's common stock will receive or received the same benefit on a pro rata basis (e.g. dividends).

## **6. ADOPTION AND AMENDMENT OF THIS POLICY**

6.1 This Policy was adopted by the Board of Directors on September 24, 2014.

6.2 The Board of Directors may amend or modify this Policy as it deems appropriate at any time, *provided* that the Board may delegate to the Audit Committee the authority to amend or make changes to this Policy.