



# Securities Dealing Policy

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## 1. Purpose and Objective

This purpose of this policy is to:

- Provide a summary on the law on insider trading;
- Set out the restriction on dealing in securities of Thorn Group Limited (**Thorn**) ACN 072 507 147 (Thorn) by individuals who work within Thorn; *and*
- The process of obtaining prior clearance in exceptional circumstances for trading that would otherwise be restricted or contrary to this policy.

Directors, employees and contractors of the group are encouraged to be long-term holders of Thorn's securities.

The objectives of this policy are to:

- minimise the risk of Directors, employees and contractors of the group contravening the laws against insider trading;
- ensure Thorn is able to meet its reporting obligations under the ASX Listing Rules; *and*
- increase transparency with respect to dealing in securities of Thorn (including shares and options) by Directors and employees identified as Restricted Persons.

To achieve these objectives, Thorn personnel should consider this policy to be binding on them in the absence of a specific exemption by the Board.

This policy has been adopted and approved by the Board of Directors of Thorn (**Board**).

## 2. Definitions

For the purposes of this policy:

**Agent** means a person who acts on behalf of another person or group.

**Dealing in securities** includes:

- applying for, acquiring or disposing of, securities;
- entering into an agreement to apply for, acquire or dispose of, securities;
- granting, accepting, exercising or discharging an option or other right or obligation to acquire or dispose of securities;
- trading in financial products issued or created over securities of Thorn; and
- entering into transactions in financial products which operate to limit the economic risk of security holdings, whether personally or through nominees, agents or other associates, such as family members, family trusts and family companies.

**Designated Officer** means:

- in the case of Directors and Key Management Personnel, the Chair;
- in the case of the Chair, the Chair of the Audit Committee;
- in the case of Restricted Persons (*as defined in this policy*) other than Directors and Key Management Personnel, the Company Secretary; or
- in the event that the Chair is unavailable, the Designated Officer is the Audit Committee Chair, the event the Audit Committee Chair is unavailable the Designated Officer is the Company Secretary.

**Director** means any director (executive or non-executive) of Thorn from time to time.

**Group** means Thorn and each of its subsidiaries (as defined in the *Corporations Act 2001* (Cth)).

**Immediate Family Members** include any partner, any minor in the direct care of the Key Management Personnel, and any family trust the Key Management Personnel is in control of.

**Key Management Personnel** has the meaning as defined in the ASX Listing Rule 19.12 and includes all employees having significant knowledge of, or significant authority and responsibility for planning, directing and controlling all or major parts of the activities of the group.

**Prescribed Persons** include:

- any Immediate Family Members of the Restricted Person;
- any Agent of the Restricted Person; *or*
- companies, trusts and entities controlled by them (immediate family members or agents) or the Restricted Person.

**Restricted Persons** include:

- Executive and Non-executive Directors of the Group;
- Key Management Personnel of the Group;
- Senior Managers of the Group: *and*
- Employees or contractors that have been notified that they are a Restricted Person.

**Securities** includes shares in Thorn, options over those shares and any other financial products of Thorn traded on ASX.

**Senior Manager /Senior Management** means any direct report to the Chief Executive Officer and Chief Financial Officer or any manager who receives long term incentives from Thorn.

**Trading day** means any day that the ASX is open for trading.

### 3. What is insider trading?

The *Corporations Act 2001* (Cth) prohibits persons who are in possession of information that is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities in Thorn (**Price Sensitive Information**) from:

- dealing in the securities; or
- communicating the Price Sensitive Information to others who might deal in the securities.

This prohibition extends to dealings through nominees, agents or other associates, such as family members, family trusts and family companies.

Information is generally available to the public if, amongst other things, it consists of readily observable matters or it has been brought to the attention of investors by an announcement with ASX (**ASX**) and a reasonable period for its dissemination has elapsed since the announcement.

Restricted Persons as well as other employees and contractors of the group will from time to time be in a situation where they are in possession of Price Sensitive Information.

For these reasons, if any person believes that they may be in possession of Price Sensitive Information, the advice of the Designated Officer should be sought prior to any dealings in securities. Steps should be taken to ensure that the Designated Officer is advised of all relevant considerations by the person that believes they may be in possession of Price Sensitive Information.

#### Examples of Price Sensitive Information:

The following list provides examples of Price Sensitive Information and is in no way exhaustive.

Price Sensitive information could include:

- a change in financial forecasts or expectations;
- possible merger/acquisition or sale of any assets or business by Thorn
- changes to the Board or key management personnel;
- a proposed dividend or change in dividend policy;
- liquidity and cash flow information;
- significant litigation, or the threat of significant litigation, involving the group or any material development in any existing litigation involving the group;
- proposed changes in capital structure of the group, including issues of securities, rights issues, the redemption of securities and capital reconstructions;
- significant new contracts or customers (or the loss of any existing significant contracts or customers);
- non-public decisions on significant issues affecting the group by regulatory bodies in Australia or other relevant jurisdictions (such as the Australian Securities & Investments Commission or the Australian Competition and Consumer Commission);  
*and*
- any other information which may have a material effect on Thorn's financial position or performance.

Importantly, information does not have to be obtained from Thorn to constitute Price Sensitive Information.

#### 4. Restrictions when in possession of Price Sensitive Information

Restricted Persons, as well as employees and contractors in possession of Price Sensitive Information must not at any time without prior approval from the Designated Officer:

- deal in securities of Thorn;
- advise, procure, encourage or suggest another person deal in securities of Thorn; or
- communicate the Price Sensitive Information, or cause the Price Sensitive Information to be communicated, to a person who may deal in securities of Thorn or may procure another person to deal in securities of Thorn.

A contravention of the insider trading prohibitions is an offence and exposes a person to criminal and civil liability, including liability under civil damages actions and compensation orders. The penalties for a breach of the insider trading prohibitions are serious and include severe fines and imprisonment.

All Thorn Directors, employees and contractors must ensure that external advisors who receive Price Sensitive Information are bound by a confidentiality agreement or other enforceable confidentiality obligations.

From time to time, Thorn may publish a list of companies whose securities Thorn's Restricted Persons are prohibited from dealing in due to Thorn being in possession of Price Sensitive Information in respect of those companies (**Restricted Securities List**). Restricted Persons must not deal in securities of companies on the Restricted Securities List at any time.

#### 5. No short-term dealing in securities of Thorn

Restricted Persons must not without prior approval of the Designated Officer engage in short-term dealing in securities of Thorn.

Short-term dealing is considered to be dealing where the acquisition and disposal of securities occurs within 3 months of each other.

#### 6. Dealing in securities of Thorn during Trading Window only

Subject to clause 7, in addition to the restrictions in clauses 4 and 5, and the terms of any voluntary escrow deed entered into with Thorn, Restricted Persons must only deal in securities of Thorn during:

- the six week period commencing 24 hours after:
  - the announcement of Thorn's half yearly and annual financial results to ASX; and
  - the closure of the Annual General Meeting
- any other period designated by the Board,
  - (together, the Trading Window).

The Trading Windows may also be subject to any additional restrictions that Thorn may put in place during that period.

The six week trading period remains in place.

The Board may resolve to open the trading window prior to the release of the half yearly or annual financial results, as well as the period immediately following the Annual General Meeting.

## 7. Trading in exceptional circumstances during periods outside the Trading Window

Restricted Persons who are not in possession of Price Sensitive Information may deal in, or engage in short-term dealing of, securities of Thorn during periods outside the Trading Window if there are exceptional circumstances and he or she receives prior written clearance from the Designated Officer.

Exceptional circumstances are:

- financial hardship which cannot be satisfied otherwise than by dealing in securities of Thorn;
- a court order or a court enforceable undertaking (e.g. as part of a *bona fide* family settlement) directing the dealing in securities of Thorn; or
- any other circumstances considered exceptional by the Designated Officer.

Restricted Persons wishing to deal in, or engage in short-term dealing of, securities of Thorn during a period outside the Trading Window based on exceptional circumstances must to the Designated Officer for prior written clearance to deal in those securities. The application must include the following information:

- details of the exceptional circumstances;
- the approximate number of securities of Thorn that he or she wishes to deal in;
- a request for clearance to deal in those securities; and
- confirmation that he or she is not in possession of any Price Sensitive Information.

The Designated Officer must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to whether to provide consent to deal in securities of Thorn during a period outside the Trading Window or to allow short-term dealing in securities.

Any consent provided by the Designated Officer under this policy must:

- outline the duration of the clearance (which must be no more than 5 trading days from the date of the provision of any consent).

## 8. The Front Page Test

It is important that public confidence in the group is maintained. It would be damaging to the group's reputation if the market or the general public perceived that Directors and employees of the group might be taking advantage of their position in the group to make financial gains by dealing in securities on the basis of confidential information.

As a guiding principle but without limiting any of the prohibitions or consent requirements contained in this policy, Directors and employees of the group should ask themselves the following before engaging any dealing in relation to securities of Thorn:

*If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the Director or employee taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (**The Front Page Test**)*

If a Director or employee is unsure as to how The Front Page Test applies or may apply to any proposed dealing in relation to securities of Thorn, he or she should consult the Company Secretary. Where any approval is required for a dealing under this policy, consideration will be given to whether the dealing would not satisfy the Front Page Test.

## 9. Restricted Persons to obtain prior written clearance for dealings in securities of Thorn

Restricted Persons must obtain prior approval for any intended dealing in securities of Thorn from the Designated Officer, in all cases the Company Secretary is to be included in the requests for approval in order to track the requests in a trading register.

The request for approval must be submitted in writing noting the intention to deal in Thorn's securities prior to the date of trade or settlement and must include the following information:

- the approximate number of securities of Thorn that they wishes to deal in;
- confirmation that they are not in possession of any Price Sensitive Information.

Restricted Persons may only proceed with the dealing in securities of Thorn after having first obtained approval from the Designated Officer. All approvals are effective from the time given and will remain in place for 10 days, should a trade not be completed in this window a further request for approval must be submitted.

Approval is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing. Restricted Persons remain responsible for their own investment decisions and are responsible for compliance with the law.

## 10. Notification of dealings in securities of Thorn

The ASX Listing Rules require Thorn to notify ASX of dealings in notifiable interests in securities of Thorn by Directors within 5 business days.

Directors must notify the Company Secretary immediately after dealing in any securities of Thorn and provide Thorn with the requisite details of the dealing for Thorn to comply with the ASX Listing Rules.

Restricted Persons (other than Directors, who must comply with clause 9) must notify the Company Secretary immediately after acquiring or disposing of a relevant interest in any securities of Thorn.

## 11. No hedging

Notwithstanding any other part of this policy, Restricted Persons must not at any time enter into transactions in associated products which operate to limit the economic risk of security holdings in Thorn.

## 12. Margin lending

Thorn may be required to disclose details of the margin lending arrangements of Restricted Persons in respect of their securities of Thorn (if any), if that information would be material information under ASX Listing Rule 3.1.

To enable Thorn to comply with ASX Listing Rule 3.1, any Restricted Persons of Thorn who enter into margin lending arrangements or otherwise encumbers their securities of Thorn (**Security Arrangements**) is required to provide details of those Security Arrangements to the Designated Officer upon entering into, and on any change (other than a trivial or minor change) occurring to, the Security Arrangements. Security Arrangements may be subject to prohibitions on dealing in securities of Thorn contained in this policy.

The details of the Security Arrangements which must be provided pursuant to clause 9 must include the number of securities of Thorn involved, any trigger points, the right of the lender or security holder to sell the securities unilaterally and any other material details.

Restricted Persons may take out margin loans over their holdings in Thorn's securities. However, Directors and employees must not allow a margin call to be met by the sale of Thorn's securities at a time when they would not be able to sell those securities themselves under this policy.

## 13. Penalties

A contravention of this policy by a Director, Key Management Personnel, Senior Manager, other employee or contractor of any member of the group may result in summary dismissal.

## 14. Application

This policy applies to all Restricted Persons of Thorn as defined in this policy.

For the purposes of this policy, Restricted Persons dealing in securities of Thorn includes "Prescribed Persons" of Restricted Persons of the group dealing in securities of Thorn.

It is incumbent on each Director, employee and contractor of the group to take reasonable steps to ensure that an associate does not deal in securities of Thorn in contravention of this policy where the dealing could be attributed to the Director, employee or contractor concerned.

The following types of dealing are excluded from the operation of this policy:

- transfers of securities of Thorn already held in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary and where the investments are made at the discretion of a third party;
- an investment in, or dealing in units of, a fund or other scheme (other than a scheme only investing in securities of Thorn) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a Restricted Person is a trustee, trading in securities of Thorn by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- undertakings to accept, or the acceptance of, a takeover offer;
- dealing under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of the entitlements under a renounceable pro rata issue;
- a disposal of securities of Thorn that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- the exercise (but not the sale of securities of Thorn following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security; and
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
  - the Restricted Person did not enter into the trading plan outside the Trading Window;
  - the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
  - the Restricted Person is not permitted to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan outside the Trading Window, other than in exceptional circumstances.

## 15. Contact

If you have any questions about any of the issues raised in this policy please contact the Company Secretary.

## 16. Review

This Policy will be reviewed every 2 years or as required to ensure that it reflects current regulatory and legislative requirements and approved by the Board.

Last approved: 16 February 2021