



Anti-Fraud & Corruption  
Policy  
June 2021

## Purpose

The purpose of this Policy is to protect Thorn's assets and reputation by:

- reinforcing Board and Senior Management commitment and responsibility for identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities;
- reinforcing the requirement for all employees, directors and suppliers to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud, corrupt conduct or unethical behaviour;
- ensuring that all suspected fraudulent and corrupt activities are dealt with appropriately by having investigations conducted; and
- assigning responsibility for the development of controls to prevent and detect fraud and corruption.

## Policy Statement

Thorn Group Limited and its subsidiaries ('Thorn', the 'Company', 'we', 'our' or 'us') is committed to the highest level of integrity and ethical standards in all business practices. It is Thorn's policy to conduct all of its business in an honest and ethical manner and in accordance with its values.

Thorn's employees and directors must conduct themselves in a manner consistent with company standards and in compliance with all legislation.

Fraud, corruption and unethical behaviour are not compatible with Thorn's values. This Policy articulates the standards expected of all employees and directors and provides guidance as to how Thorn will manage the risks of fraud, corruption (including bribery) and unethical behaviour.

Thorn understands there are significant financial penalties for fraud and corrupt behaviour along with damage to its reputation and adverse impacts on customers and shareholders.

Thorn will uphold all laws relevant to countering fraud and corruption in all the jurisdictions in which it operates.

### **Anti-Fraud & Corruption Policy**

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]

## Definitions

Fraud – External	An intentional act by one or more individuals outside of Thorn to obtain unjust or illegal financial advantage by use of deception. External parties may include customers, contractors, suppliers or any external parties. Fraud can typically result in actual or potential financial loss to any person or entity.
Fraud Internal	An intentional act by one or more individuals within Thorn to obtain unjust or illegal financial advantage by use of deception. Internal parties may include management and employees. Fraud can typically result in actual or potential financial loss to any person or entity.
Corruption	A dishonest activity in which a director, executive, manager, employee or contractor of Thorn who acts contrary to the interests of the company and abuses his/her position of trust in order to achieve some personal gain or advantage for himself/herself or for another person or entity.
Bribery	The giving or receiving of an unearned reward which serves to influence an individual’s behaviour. A common form of bribery is a “kickback” which is a payment made in return for favourable treatment and/or an undue business advantage.
Unethical Behaviour	An action that falls outside of what is considered morally right or proper for a person, a profession, or an industry. Both individuals and businesses can behave unethically. Typically, unethical behaviour results in personal gain which does not generally result in direct financial advantage.

## Responsibilities

Role	Definition
Board of Directors (Board)	The Board is ultimately responsible for setting the “tone from the top” in terms of the importance of the prevention of fraud, corruption and unethical behaviour.
Risk & Compliance Committee (RCC)	The RCC is responsible for reviewing and approving the Policy and any future amendments.
Audit Committee (AC)	Major fraud incidents are to be reported by the business to the AC. Additionally, any fraud incidents investigated will be tabled at AC meetings.
Senior Leadership Team	The Senior Leadership Team are responsible for reinforcing the “tone from the top” set by the Board.
General Counsel/General Manager Risk & Compliance (GC/GMRC)	The GC/GMRC is the Policy Owner and is responsible for overseeing the application and the periodic review of the Policy, providing a fraud risk management framework, including responsibility for investigating allegations of fraud. <i>Investigations may be delegated to a party nominated by the GC/GMRC.</i>
Line managers within the businesses	All line managers are responsible for owning the risks and controls associated with fraud, corruption and unethical behaviour.

### Anti-Fraud & Corruption Policy

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]

Enterprise Risk	Responsible for ensuring the recording any fraud incidents and the associated financial loss resulting from the fraud-related events.
-----------------	---

## Scope

### Standard of Behaviour

At all times, Thorn requires all employees and directors to act honestly, with integrity and to safeguard the company resources for which they are responsible. Thorn is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits. There is a strict prohibition on the giving/receiving of bribes or other improper payments,/benefits to public officials, and payment of secret commission(s) to those acting as an agent or in a fiduciary capacity.

Any fraud or corruption committed against Thorn is a major concern and as a consequence all cases will be thoroughly investigated and appropriate disciplinary action will be taken against any staff member who is found to be responsible for perpetrating the corrupt or fraudulent conduct. This may include termination of the individual's employment and/or referral of the matter to the appropriate law enforcement or regulatory agencies for independent investigation, as necessary.

### Code of Conduct

This Policy should be read in conjunction with Thorn's Board Code of Conduct and Employee Code of Conduct which specifically refers to our commitment to fully investigate any allegations of illegal conduct, unethical behaviour or corruption.

### Fraud Risk Assessment & Internal Controls

Fraud risks are considered as part of Thorn's Risk Appetite and with key internal controls assessed for design and operational effectiveness in the audits. Risks around fraud and conduct are recognised as material risks on Thorn's Risk Register with a number of activities identified to mitigate these risks.

### Investigations

The GMRC is responsible for investigating suspected fraud incidents and may consult with other appropriate members of Senior Management or external experts as necessary, whilst maintaining confidentiality of the matter as well as the individual making the report.

Any investigations carried out may require liaison with law enforcement and/or regulatory agencies as appropriate.

For matters of corruption or matters of fraud that involve directors, Thorn will engage external parties to conduct investigations.

All employees and directors of Thorn are required to fully cooperate with an investigation into any alleged or suspected fraud or corruption.

### Disciplinary Actions

Where there is proven evidence of fraud, appropriate disciplinary measures will be taken in accordance with the Employee Code of Conduct.

#### Anti-Fraud & Corruption Policy

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]

### Recovery of Proceeds of Fraudulent or Corrupt Activity

Thorn will vigorously pursue those who have committed fraudulent or corrupt acts against the Company with the aim of recovering all losses incurred. Thorn reserves the right to seek compensation through legal proceedings where appropriate.

### Training, Awareness & Communication

Training on this Policy forms part of the induction process for all new employees and directors. All existing employees will receive relevant training on how to adhere to this Policy as well as being fraud-aware. Re-fresher training will be provided on a periodic basis.

Thorn's approach to anti-bribery and corruption will be made available via our website to all suppliers, contractors and business partners.

### Reporting of Fraudulent or Corrupt Activity

Thorn encourages any employee who suspects fraudulent or corrupt activity has occurred or is occurring to report it either by notifying their immediate manager or the People & Capability Manager, or directly notifying the General Counsel/General Manager Risk & Compliance.

A director has the responsibility to raise such matters with the General Counsel/General Manager Risk & Compliance.

Alternatively, if the person is not comfortable in raising the issue direct to management, a confidential and anonymous report can be made in line with methods set out in Thorn's "Whistleblower Policy" accessible on the Thorn Group website ([www.thorn.com.au](http://www.thorn.com.au)).

The results of any investigation and actions taken will be reported to Senior Management and Board. Significant breaches and actions that may fall under continuous disclosure rules will be handled in accordance with Thorn's Continuous Disclosure & Communications Policy.

#### **Anti-Fraud & Corruption Policy**

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]

## Gifts, Entertainment and Hospitality

Under no circumstances should gifts, entertainment and hospitality be accepted by a staff member or Director in return for favourable treatment and/or an undue business advantage.

To ensure transparency of any gifts, entertainment and hospitality received, where the value is more than AU\$100, it must be reported and entered into the Thorn Gift Register on Thornet or in the case of a director, disclosed to the Board.

Note that the following items must not be accepted under any circumstances:

- cash;
- cheques;
- money orders;
- direct deposits;
- gift cards (unless for legitimate and approved reasons such as sales competitions/incentives); and/or
- any other monetary gifts.

Gifts and entertainment practices should be read in conjunction with the Thorn Conflicts of Interest Policy.

## Forms

This Policy is supported by the following Thorn documents:

- Thorn (Company) Code of Conduct
- Thorn (Employee) Code of Conduct
- Thorn Whistleblower Policy
- Conflicts of Interest Policy (Including the Conflicts of Interest & Gift Register)
- Thorn Securities Trading Policy
- Thorn Continuous Disclosure & Communications Policy

## Policy Review

This Policy will be reviewed every 2 years or as required. Any proposed changes to this Policy must be approved by the **Board of Directors**.

### Anti-Fraud & Corruption Policy

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]

## Appendix A

### **Examples of external fraud could include (but not limited to) the following:**

- False invoices for goods and services (from suppliers and service providers) never provided
- Backdating of contracts by external business partners
- Applying for loans using false details such as identification, income and expenses and employment details
- Obtaining refunds using false identification
- Taking over the identification of existing customers and then using that identity to obtain goods and services
- Falsely claiming warranty on products which were wilfully damaged
- Applying for commercial loans using falsified documents (e.g. ownership of assets being finance)
- Setting up a shell company and generating false invoices with the aim of securing trade finance

### **Examples of internal fraud could include (but not limited to) the following:**

- Misappropriation of funds, stock, supplies or other assets including use of assets for private purposes
- Defalcation of monies (instead of banking the funds) and actively concealing this activity
- Submission of exaggerated or wholly fictitious accident, harassment or injury with the aim of falsifying claims
- Release of confidential information, for other than a proper business purpose, in exchange for a financial benefit
- Engaging in insider trading based on inside knowledge of Thorn. This is also considered a criminal activity
- Making false expense claims

### **Examples of unethical behaviour could include (but are not limited to) the following:**

- Misuse of sick or family leave
- applying credits to customers' accounts with the intention of manipulating arrears Records of those customers
- Falsely recording a Service Change of Model as a Financial Change of Model, thereby receiving the benefit of a sale when the transaction is not a sale
- Manipulation of sales results to meet sales targets
- Manipulation of financial records to overstate financial results
- Using one's position to inappropriately and/or unfairly influence his/her staff to perform unethical tasks
- A conflict of interest involving a staff member acting in his or her own self-interest rather than in the interests of Thorn

### **Examples of corruption could include (but are not limited to) the following:**

- Accepting and seeking kickbacks from suppliers and contractors in return for providing favourable terms to the supplier's goods and services
- Making "facilitation payments" (eg;bribes, gratuities, political donations in the guise of bribes, etc...) to external parties in return for favourable outcomes to improperly secure a deal, property or asset
- A staff member manipulating a tendering process to achieve a desired outcome, in return for financial gain from suppliers

#### **Anti-Fraud & Corruption Policy**

Policy Authorised by: Board of Directors

Policy Maintained by: General Counsel/General Manager Risk & Compliance

Last Revised: [JUN 2021]