



Anti-Fraud & Corruption Policy

19 January 2023

Purpose

Thorn has zero tolerance for any fraud or corruption committed against Thorn.

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; and
- assigning responsibility for the development of controls to prevent and detect fraud and corruption.

Policy Statement

Thorn Group Limited and its subsidiaries ('Thorn', 'we', 'our' or 'us') is committed to the highest level of integrity and ethical standards in all business practices. Thorn's policy is to conduct all 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 Thorn's standards and in compliance with relevant 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 manages 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 is committed to upholding laws relevant to countering fraud and corruption in all jurisdictions in which it operates.

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.

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Corruption	A dishonest activity in which a director, employee or contractor of Thorn who acts contrary to the interests of Thorn 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, the fraud register and details of any fraud incidents investigated will be tabled at AC meetings.
Senior Management	Senior Management are responsible for reinforcing the "tone from the top" set by the Board.
General Counsel	The General Counsel 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. Investigations may be delegated to a party nominated by the General Counsel.
Line 1 Risk Owners/Line managers within the businesses	All line managers are responsible for owning the risks and controls associated with fraud, corruption and unethical behaviour and for reporting any fraud incidents (including fraud register reporting) and the associated financial loss resulting from the fraud-related events in accordance with Thorn's Incidents Management & Breach Reporting Policy.
All Thorn employees and directors	Must comply with this Policy and must complete any company training relating to anti-fraud and corruption.

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Scope

Standard of Behaviour

At all times, Thorn requires all employees and directors to act honestly, with integrity and to safeguard Thorn's 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.

All potential cases of fraud or corruption 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 Code of Conduct which specifically refers to Thorn's 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 are recognised as material risks on Thorn's Risk Register with a number of preventative and detective fraud control measures identified to mitigate these risks.

Investigations

The General Counsel 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 or Senior Management, Thorn will engage independent 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 Thorn's Code of Conduct.

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Recovery of Proceeds of Fraudulent or Corrupt Activity

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

Training, Awareness & Communication

All employees are expected to be familiar with this Policy. All employees will receive relevant training on how to adhere to this Policy as well as being fraud aware. Refresher training will be provided on a periodic basis.

Thorn's approach to anti-bribery and corruption is available via Thorn's website (www.thorn.com.au).

Reporting of Fraudulent or Corrupt Activity

Thorn requires any employee who suspects fraudulent or corrupt activity has occurred or is occurring to report it by notifying their immediate manager or the General Counsel or the Chief Executive Officer in accordance with Thorn's Incidents Management & Breach Reporting Policy.

A director has the responsibility to raise such matters with the General Counsel.

Alternatively, if the person is not comfortable in raising the issue directly to Senior Management, a confidential and anonymous report can be made in line with methods set out in Thorn's Whistleblower Policy accessible on Thorn's website (www.thorn.com.au).

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

A fraud register will be maintained of any actual or potential fraud incidences and the fraud register will be reported to Thorn's AC and external auditor.

Reporting of Crime

As part of its corporate social responsibility, Thorn recognises that it has a moral obligation to report crimes to relevant law enforcement agencies. Thorn acknowledges that there are specific regimes where a failure to report suspected offence can itself be an offence. Thorn also has an obligation to report any suspected or actual crime as part of its duty to Thorn's employees, customers, suppliers and others to ensure they can work or conduct business in a safe environment.

Internal investigations into allegations of Fraud or Corruption (as described in this Policy) must also consider Thorn's reporting obligations for confirmed incidents of Fraud or Corruption.

Anti-money Laundering

Any money laundering behaviours will be dealt with under and in accordance with Thorn's AML/CTF Programs, including relevant reporting to AUSTRAC.

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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 to the General Counsel and/or CEO, 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 or money orders;
- direct deposits;
- gift cards (unless for legitimate and approved reasons such as sales competitions/incentives); and/or
- any other monetary gifts.

Relevant Policies

This Policy is supported by the following Thorn policies and procedures:

- Thorn Code of Conduct
- Thorn Whistleblower Policy
- Thorn Securities Trading Policy
- Thorn Continuous Disclosure & Communications Policy
- Thorn Incidents Management & Breach Reporting Policy
- Thorn's AML/CTF Programs

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**.

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Appendix

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

- False or incorrect invoices for goods and services (from suppliers and service providers)
- 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
- Falsely claiming warranty on products which were wilfully damaged
- Applying for commercial loans using falsified documents (e.g. ownership of assets being 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
- Misappropriation of monies (instead of banking) 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 or exaggerated expense claims

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

- Manipulation of financial records to overstate financial results
- Manipulation of sales results to meet sales targets
- Treating customers inappropriately including manipulation of customers' transaction records or preferential treatment
- Using one's position to inappropriately and/or unfairly influence his/her staff to perform unethical tasks
- Conflicts of interest or staff member acting in his or her own self-interest rather than in the interests of Thorn
- Misuse of company or employment benefits, such as sick or family leave

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 disguise 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

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