Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

Thorn Group Limited

ABN/ARBN	Financial year ended:
ACN 072 507 147	31 March 2023

Our corporate governance statement[1] for the period above can be found at:[2]

☐	These pages of our annual report:	
☒	This URL on our website:	www.thorn.com.au/site/file/39/view/CorporateGovernanceStatement2023Clean.pdf

The Corporate Governance Statement is accurate and up to date as at 31 May 2023 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.[3]

Date:	31 May 2023
Name of authorised officer authorising lodgement:	Alexandra Elizabeth Rose

[1] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

[2] Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

[3] Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	…the fact that we follow this recommendation: ☒ and we have disclosed a copy of our board charter at: www.thorn.com.au/site/PDF/14bc79f7-a8da-42f1-9ac7-ff19079858a6/ThornBoardCharter2022	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

[4] Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

[5] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☐we have a diversity policy that complies with paragraph (a) and we have disclosed a copy of our diversity policy at: ………………………………………………………………………… and we have disclosed the information referred to in paragraph (c) at: ………………………………………………………………………….. [*insert location*] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	The explanation of why we did not comply with (c) is ☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable And we have disclosed a copy of our diversity policy at: www.thorn.com.au/site/file/37/view/DiversityandInclusionPolicyMarch2023.pdf
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) in: Remuneration Report as part of the Directors' Report within the Annual Report and whether a performance evaluation was undertaken for the reporting period in accordance with that process in: Remuneration Report as part of the Directors' Report within the Annual Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☐ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: and the information referred to in paragraphs (4) and (5) at: *[If the entity complies with paragraph (b):]* and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at: …………………………………………………………………………….. [*insert location*]	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable and we have disclosed a copy of the charter of the committee at: www.thorn.com.au/site/file/36/view/RemunerationNominationCommitteeCharter2022.pdf and the information referred to in paragraphs (4) and (5) at: the Director's Report within the Annual Report: www.thorn.com.au/site/investor-information/results.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed the details of the matrix in our Corporate Governance Statement	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors in: our Corporate Governance Statement. and, where applicable, the information referred to in paragraph (b) at: our Corporate Governance Statement. and the length of service of each director in: at the Directors' Report within the Annual Report at www.thorn.com.au/site/investor-information/results.	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
2.4	A majority of the board of a listed entity should be independent directors.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values in: our Corporate Governance Statement and our Code of Conduct at www.thorn.com.au/site/PDF/2651_0/codeofconduct.	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: www.thorn.com.au/site/PDF/2651_0/codeofconduct.	☐ set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: www.thorn.com.au/site/file/34/view/WhistleblowerPolicyApril2022RevisedFormat.pdf.	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☒ and we have disclosed our anti-bribery and corruption policy at: www.thorn.com.au/site/pdf/dd53a4c9-ad68-40d8-9775-7a364b50c19c/AntiFraud-and-Corruption-Policy.pdf	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☐ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: and the information referred to in paragraphs (4) and (5) in: *[If the entity complies with paragraph (b):]* and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: ………………………………………………………………………………. [*insert location*]	☒ set out in our Corporate Governance Statement and we have disclosed a copy of the charter of the committee at: www.thorn.com.au/site/file/38/view/AuditCommitteeCharterMarch2023.pdf and the information referred to in paragraphs (4) and (5) in: the Directors' Report within the Annual Report at www.thorn.com.au/site/investor-information/results.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☒	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒ and we have disclosed this process in the Audit Committee Charter at www.thorn.com.au/site/file/38/view/AuditCommitteeCharterMarch2023.pdf .	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: www.thorn.com.au/site/PDF/f81eb221-44ba-4813-81ed-ce54872c5b48/ContinuousDisclosureandCommunicationsPolicyNov2021.	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: www.thorn.com.au/site/about-us/corporate-governance and www.thorn.com.au/site/investor-information/investor-centre.	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders is: set out in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒	☐ set out in our Corporate Governance Statement

<table>
<tr><td colspan="2">Corporate Governance Council recommendation</td><td>Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:</td><td>Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]</td></tr>
<tr><td colspan="4">PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</td></tr>
<tr><td>7.1</td><td>The board of a listed entity should:
(a) have a committee or committees to oversee risk, each of which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</td><td>☐
[If the entity complies with paragraph (a):]
and we have disclosed a copy of the charter of the committee at:

and the information referred to in paragraphs (4) and (5) at:

[If the entity complies with paragraph (b):]
and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:
……………………………………………………………………………..
[insert location]</td><td>☒ set out in our Corporate Governance Statement

and we have disclosed a copy of the charter of the committee at:
www.thorn.com.au/site/PDF/aa83e452-8a80-47ea-80da-705cd8f27989/RiskandComplianceCommitteeCharter2022
and the information referred to in paragraphs (4) and (5) at:
the Directors' Report within the Annual Report - www.thorn.com.au/site/investor-information/results.</td></tr>
<tr><td>7.2</td><td>The board or a committee of the board should:
(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
(b) disclose, in relation to each reporting period, whether such a review has taken place.</td><td>☒
and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in:
our Corporate Governance Statement.</td><td>☐ set out in our Corporate Governance Statement</td></tr>
</table>

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☒ *[If the entity complies with paragraph (a):]* and we have disclosed how our internal audit function is structured and what role it performs at: *[If the entity complies with paragraph (b):]* and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in: our Corporate Governance Statement	☐ set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks in: our Annual Report and, if we do, how we manage or intend to manage those risks is: in our Annual Report.	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☐ *[If the entity complies with paragraph (a):]* and we have disclosed a copy of the charter of the committee at: and the information referred to in paragraphs (4) and (5) at: *[If the entity complies with paragraph (b):]* and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: …………………………………………………………………………..	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable and we have disclosed a copy of the charter of the committee at: www.thorn.com.au/site/file/36/view/RemunerationNominationCommitteeCharter2022.pdf and the information referred to in paragraphs (4) and (5) at: the Directors' Report within the Annual Report www.thorn.com.au/site/investor-information/results.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Directors' Report within the Annual Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☒ and we have disclosed our policy on this issue or a summary of it at: Directors' Report within the Annual Report.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: …………………………………………………………………… [*insert location*]	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable

THORN GROUP LTD

ACN 072 507 147

Corporate Governance Statement as of 31 March 2023

Corporate Governance Statement

The Board of Directors (the “**Board**”) is committed to maintaining the highest standard of corporate governance and is responsible for establishing, maintaining and monitoring the Corporate Governance Framework of Thorn Group Ltd (“**Thorn**”; the “**Group**”; the “**Company**”). This statement outlines the main corporate governance practices in place for the year ended 31 March 2023. This statement has been approved by the Board.

Board of Directors

Role of the Board

The Board’s primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including:

- formulating its strategic direction;
- approving and monitoring capital expenditure and cash requirements;
- setting remuneration;
- appointing, removing and creating succession policies for Directors and Senior Executives;
- establishing and monitoring the achievement of management’s goals; *and*
- ensuring the integrity of risk management, internal controls, information system(s), legal, risk and compliance frameworks.

The Board is also responsible for approving and monitoring financial, regulatory and other reporting.

In order to ensure that the Board functions and responsibilities are clearly identified, the Company has adopted a formal Board Charter.

A copy of the Board Charter is located on the Company’s website, www.thorn.com.au (under the tab Corporate Governance).

The Board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer and executive management. Responsibilities are delineated by formal Delegations of Authority.

The Company Secretary is accountable to the Board, through the Chair of the Board, on all matters relating to the proper functioning of the Board. The Company Secretary also acts as Secretary to all Board Committees.

Board Processes

To assist in the execution of its responsibilities, the Board has established an Audit Committee, a Risk & Compliance Committee, a Remuneration & Nomination Committee and such other ad-hoc committees as are deemed necessary to discharge the responsibilities of the Board.

These committees have written mandates and operating procedures, which are reviewed on a regular basis. The Board has also established a framework for the management of the Company including a system of internal control, an enterprise risk management framework and the establishment of appropriate ethical standards.

The Board holds a number of scheduled meetings each year in line with the requirements as set out in the Board Charter, as well as strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for Board meetings is prepared by the Company Secretary in consultation with the Chair and the Chief

Executive Officer. Standing items include:

- business performance and financial operations;
- strategic matters;
- governance and policy; and
- continuous disclosure.

Board Papers are circulated in advance using a secure Board material distribution platform. The Board receives copies of all material market announcements before they are released to the market. Executives are regularly involved in Board discussions.

Director and Executive Education

Directors have the opportunity to visit the Company's premises and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chair, may seek independent professional advice from a suitably qualified advisor at the Company's expense. The Director(s) must consult with an advisor suitably qualified in the relevant field and obtain the Chair's prior approval of the fee payable for the advice before proceeding with consultation. A copy of the advice received by the Director(s) is made available to all members of the Board.

Statement of the Board

The names of the Directors of the Company in office at the date of this statement are set out in the Directors' Report.

The composition of the Board is presently determined using the following principles:

- a minimum of three (3) Directors, with a broad range of expertise, including on ASX listed companies;
- the majority of Directors having in depth knowledge of the Company's industries, and/or extensive expertise in significant aspects of auditing and financial reporting, or risk management of large companies; and
- Directors are subject to re-election every three years.

The Board considers the mix of skills and diversity of Board members when assessing the composition of the Board.

The Board assesses existing l Directors' skills to ensure they have appropriate industry expertise in the Company's operating segments.

Board Composition

Independence

The Board has adopted the Corporate Governance Council's ("**CGC**") recommended criteria for assessing Directors' Independence and by applying the criteria, the Board is satisfied that the Deputy Chair, Mr Paul Oneile is an independent Director.

The Board recognises the CGC's recommendation that the Chair should be an independent Director. Mr Warren

McLeland, the Chair of the Board, is not an independent Director and the Board does not currently comprise of a majority of independent Directors. However, the Board believes that Mr McLeland is the most appropriate person to lead the Board as Chair and that he is able to bring quality independent judgement to all relevant issues falling within the scope of the role of Chair and that the Company as a whole benefits from his long standing business experience.

The Board has recognised the present composition of Board is undersized and is continuing the process to recruit a further independent, suitably qualified Non-Executive Director, subject to the Company's strategic needs.

Board Skills & Matrix

The Directors have been appointed by assessing their range of personal and professional experiences, skills and expertise. The Board seeks to achieve an appropriate mix of skills, diversity and tenures, including a significant understanding of the sectors in which Thorn operates, including any future strategic directions, as well as corporate management and operational, financial and regulatory matters.

The current Directors collectively have a range of skills, knowledge and experience necessary to direct the Company and drive shareholder value in addressing the issues affecting the Company. The following skills matrix set out the skills, knowledge, experience and capabilities of the Board of Directors.

Skills matrix

SKILLS AND EXPERIENCE	**NUMBER OF DIRECTORS WITH EXCEPTIONAL / STRONG SKILLS IN THIS CATEGORY**
Leadership	3
Listed Company Experience	3
Risk Management	3
Digital & Technology	2
Governance	2
Strategy/ Strategic & Commercial Acumen	3
Enhanced Customer Focus	3
People, Culture & Conduct	3
Industry Knowledge / Financial Services	3
Financial Acumen	3

The next review of the skills matrix will be conducted during FY24 in conjunction with the Board evaluation process.

Directors and Senior Executives

The Board considers advice from the Remuneration & Nomination Committee when identifying and recommending any potential Director appointment. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

New Directors are provided with a letter of appointment outlining their responsibilities and summarising important and relevant constitutional and statutory provisions. An induction program is available to new Directors that include individual sessions with Executive team members. In addition, the Directors responsibilities are addressed in the Company's constitution and in documented governance policies and procedures including the Board Charter, the Code of Conduct, the Securities Trading Policy and relevant ASX Corporate Governance documents. Members of the Executive team have signed employment agreements with the Company.

Performance of the Board and Senior Executives

The Board Charter sets out performance evaluation requirements, including that the Board meets annually to review the performance of the Board, the Board Committees, the Chief Executive Officer, and specified Executives. Each Director's continuing Board membership is subject to their performance and ongoing relevance of their skills and experience. The Chair conducted a review of the performance and contribution to the Board of each Non-Executive Director. The performance of the Board was discussed during several board meetings during the period, including the effectiveness of the Board's role in setting Thorn's strategic direction, in monitoring executives and management and providing support and advice to the Company. The Board also focussed on identifying board performance improvement opportunities and governance framework gaps.

The Board takes an active role in the performance evaluation of the Chief Executive Officer and specified Executives. As part of the annual review of the Chief Executive Officer's performance, the Chief Executive Officer meets with the Board to consider formal documentation that outlines his view of the Company's performance, including financial performance, risk management, people leadership and professional conduct consistent with the Code of Conduct.

The Chief Executive Officer evaluates, at least annually, the performance of specified Executives. Performance criteria vary according to the individual's role but include (as appropriate) financial performance, business and people leadership, business judgement as well as a general assessment of both financial and non–financial risks. The Chief Executive Officer reports to the Board and the Remuneration & Nomination Committee on the performance of specified Executives and the Committee recommends individual senior executive remuneration for Board approval. A performance evaluation for Senior Executives has taken place during the year in accordance with the process described above.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee has a documented charter, approved by the Board.

The Remuneration & Nomination Committee assists the Board in its oversight responsibilities by monitoring and advising on:

- remuneration packages of senior executives, non-executive Directors and executive Directors;
- share option schemes and incentive performance packages (equity-based remuneration schemes);
- executive contracts;
- recruitment, retention and termination policies relating to the Board and senior executives; and
- monitoring the size and composition of the Board.

The Remuneration & Nomination Committee met twice during the 2022-2023 financial year and Committee members and their respective meeting attendances are set out in the Directors' Report. Thorn's Board met on an increased frequency basis during the period and remuneration related matters were also dealt with by the Board directly. The individual directors also held informal discussions with external consultants, the Chief Executive Officer and HR team on several matters, including performance evaluation and related remuneration considerations.

The Board recognises the CGC's recommendation that the Remuneration & Nomination Committee should consist of a majority of independent Directors. The Committee is not presently comprised of a majority of independent Directors, however the Chair of the Committee is an independent Director and is not the Chair of the Board.

The Chief Executive Officer is invited to Remuneration & Nomination Committee meetings, as required, to discuss Senior Executives' performance and remuneration packages but does not attend meetings involving matters pertaining to himself.

From time to time, the Remuneration & Nomination Committee takes advice from external consultants to identify and recommend potential candidates for the Board to the Board.

The Remuneration Report (contained with the Directors' Report) contains a description of the Company's remuneration philosophy and framework and the remuneration received by Directors and Key Management Personnel in the current financial year.

Audit Committee

The Audit Committee advises the Board on internal controls and appropriate ethical standards for the management of the Company.

The Audit Committee met ten times during 2022-2023 financial year and attendance by the Audit Committee members are set out in the Directors' Report in our 2023 Annual Report.

The Board recognises the CGC's recommendation that the Audit Committee should consist of a majority of independent Directors. The Audit Committee is not currently comprised of a majority of independent Directors. The Chair of the Committee is an independent Director and is not the Chair of the Board. All members of the Audit Committee are Non-Executive Directors. The responsibilities of the Audit Committee include:

- reviewing the annual and half year financial reports and other financial information distributed externally;
- assessing management processes supporting external reporting;
- establishing procedures for selecting, appointing and if necessary, removing the external auditor;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;
- providing advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001;
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the Board; and
- verify the integrity of any periodic corporate report the Group releases to the market that is not reviewed by an External Auditor.

The External Auditor, the Chief Executive Officer, the Chief Financial Officer and the General Counsel & Company Secretary / General Manager Risk & Compliance are invited to Audit Committee meetings at the discretion of the Committee.

The Company's External Auditor meets with the Audit Committee without management being present.

The Chief Executive Officer has declared in writing to the Board that the financial records of the Company and the consolidated entity for the financial year have been properly maintained, the Company's financial reports for the financial year ended 31 March 2023 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

The Audit Committee reviews the performance of the External Auditor on an annual basis and meets with them during the year to:

- discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with ASX, and any significant adjustments

required as a result of the auditor's findings, and to recommend Board approval of these documents, prior to announcement of results;
- review the draft annual and half-year financial report, and recommend Board approval of the financial report; and
- review the results and findings of the external audit, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

The Chief Executive Officer is tasked with ensuring that Thorn has a sound system of risk management and internal control which operates effectively and ongoing governance reporting is provided to the Board or Committees. In light of the structural changes to the business over the last 12 months, Thorn is continuing to review and revise the processes Thorn employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. Where required, the Company engages external consultants to assist with audit and advisory activity.

Risk & Compliance Committee

The Risk & Compliance Committee advises the Board on the establishment and maintenance of a framework of risk management for the Company. The identification and effective management of risk is viewed as an essential part of the approach of the Company to creating long-term shareholder value.

The Risk & Compliance Committee met three times during the 2022-2023 financial year and the Committee members and their respective meeting attendances are set out in the Directors' Report. Thorn's Board has continued to meet on an increased frequency basis since the COVID-19 pandemic and assumed a number of the responsibilities that would have otherwise been dealt with by the Risk & Compliance Committee.

The Board recognises the CGC's recommendation that the Chair should be an independent Director and that the Risk & Compliance Committee should consist of a majority of independent Directors. The Risk & Compliance Committee is not presently comprised of a majority of independent Directors and is not chaired by an independent Director.

The responsibilities of the Risk & Compliance Committee include:

- overseeing Thorn's risk management framework, including appropriate risk policies and mitigation plans for managing material risks;
- assist in setting the risk appetite for Thorn's operations;
- assessing the adequacy of the internal control framework and the Company's code of ethical standards;
- other compliance management framework, including compliance with legal requirements; and
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the Board.

The Chief Executive Officer, the Chief Financial Officer and the General Counsel & Company Secretary / General Manager of Risk & Compliance are invited to Risk & Compliance Committee meetings at the discretion of the Committee.

Risk Management

Oversight of the Risk Management Framework

The Board oversees the establishment, implementation and review of the Company's Risk Management Framework. Management has established and implemented the Risk Management Framework for assessing, monitoring and managing material business risks for the consolidated entity with regard to the risk appetite set by the Board.

The Risk & Compliance Committee reviewed Thorn's Risk Management Framework during the financial year and it is satisfied that it is suitable with due regard to the size and complexity of the business and its operations.

Where required, the Company engages external consultants to assist with risk and advisory activity.

Risk Profile

The Committee is provided with risk profiles that outlines the material business risks to Thorn. Risk reporting includes the status of risks through integrated risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. The Committee reports the status of material business risks to the Board on a regular basis.

Material business risks for the Company include strategic risk, credit risk, financial & funding risks (interest rate movements, liquidity and capital), operational risks, legal and compliance risk, regulatory risk, cyber & security risk, culture and conduct risk and emerging risks.

Economic, Environmental and Social Sustainability Risks

Thorn acknowledges its role as a responsible corporate citizen to the environment, the community in which it operates and to its people. Thorn aims to protect the environment in a sustainable manner preventing or reducing any negative impact of Thorn's operations and activities. The Company's operations are not subject to significant environmental regulations under either Commonwealth or State legislations. The Directors are of the belief that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any of those environmental requirements as they apply to the consolidated entity. There is no material exposure to economic, environmental and social sustainability risks.

Conflicts of Interest

Directors are required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist Directors to disclose potential conflicts of interest. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of any direct or related entity transactions with the Company are disclosed in the financial statements.

Mission, Vision and Values Statement, Code of Conduct and Whistleblower Policy

All Directors and employees are expected to act with integrity and objectivity, constantly striving to improve the reputation and performance of the Company and consolidated entity.

Thorn's Mission, Vision and Values Statement communicates the Company's core values and objectives and promotes ethical and responsible decision making. The Mission, Vision and Values Statement is reviewed by the Board.

The Code of Conduct, underpinned by our values, covers issues such as delivering shareholder value, managing conflicts of interest, confidentiality, fair and honest dealings, workplace health and safety, equal opportunity and compliance with laws.

The Company has advised Directors and employees that they must comply with the Code of Conduct. There are also processes in place to continually promote and communicate the Company's values to employees.

The Code of Conduct, under Business Integrity, provides "We will not directly or indirectly offer, pay, solicit or accept bribes, secret commissions or other similar payments or benefits in the course of conducting our business."

In line with the CGC's recommendations, Thorn has adopted an Anti-Fraud & Corruption Policy which includes a requirement that any material breaches are notified to the Board.

The Code also encourages the reporting of unethical behaviour. The Company has a Whistleblower Policy and internal confidential whistleblowing process which provides staff with an avenue to report suspected unethical, illegal or improper behaviours. All whistleblower incidents are reported to the Board.

Securities Trading Policy

Thorn has a Securities Trading Policy, which sets out the circumstances under which Directors, senior executives, employees and contractors of the Company and the consolidated entity may deal in securities.

Diversity and Inclusion Policy

ASX Governance Principles and Recommendations 1.5 provides that a listed entity should:

"(a) have and disclose a diversity policy;
(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
(c) disclose in relation to each reporting period:
(1) the measurable objectives set for that period to achieve gender diversity;
(2) the entity's progress towards achieving those objectives; and
(3) either:
(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act."

The Board has established a policy regarding gender, age, ethnic and cultural diversity. The policy is located on the Company's website. The Code of Conduct also includes anti-discrimination provisions.

The Board is considering appropriate and measurable objectives to achieve gender diversity in the composition of its board, senior executives and workforce generally, noting that the Company has undergone a significant change in its operations since the sale of the Consumer Finance business (the transitional services arrangements ended in December 2022).

Due to the size of the Company's operations, the Company is not required to submit reporting to the Workplace Gender Equality Agency (WGEA) under the Workplace Gender Equality Act.

Communication with Shareholders

The Board provides shareholders with information using a Continuous Disclosure and Communications Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to ASX, posting them on the Company's website and issuing media releases. The Continuous Disclosure and Communications Policy is available on the Company's website.

The Company provides information to shareholders via the Company's website, which has links to recent Company announcements and past annual reports, results presentations and various ASX pages, including the current share price. Shareholders have the option to receive communications from Thorn, with information on how to contact the relevant officer of the Company on periodic releases.

Shareholders can send communications electronically to the Company's share registry, Computershare Investor Services Pty Ltd.

Relevant details can be found on our website www.thorn.com.au/site/investor-information/shareholder-services.

The Board supports full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Company's strategy and goals. The Board encourage this by ensuring the release of substantive documents relating significant material changes and resolutions. Important issues are presented to the shareholders as single resolutions.

Where necessary, Thorn ensures that it releases presentation materials to ASX.

Shareholder voting on substantive resolutions are conducted by a poll, facilitating secret ballot controls to ensure that voters are able to vote freely on resolutions.

Copies of the Constitution will be provided to any shareholder on request.

The Corporate Governance Statement is accurate and up to date as at 31 May 2023 and has been approved by the Board of Directors.