

26 October 2015

Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Corporate Governance Statement – Appendix 4G

Attached please find the ThinkSmart Limited (“the Company”) Corporate Governance Statement – Appendix 4G.

The abovementioned document will be available on the Company’s website
www.thinksmartworld.com

Yours faithfully



Neil Hackett
Company Secretary
ThinkSmart Limited

ABOUT THINKSMART:

ThinkSmart Limited (ASX: TSM) a Financial Technology company and leader in digital, paperless, retail point of sale finance which processes high volumes of transactions quickly and efficiently through its SmartCheck proprietary technology. This enables online credit approval in just a few minutes whether customers are online or in store. Our products are executable throughout today’s complex retail channel, creating additional revenue and enhanced margin performance – on and off line.

For over 12 years, ThinkSmart has been an exclusive partner to Dixons Retail, now the newly merged Dixons Carphone Group Plc, where we have developed compelling Business and Consumer lease finance propositions, most recently introducing Upgrade Anytime – a first to market offer which enables consumers to upgrade to the very latest computing and vision products, bringing more technology to more customers more often.

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-Corporate Governance Statement for Think Smart Limited-

The Board of ThinkSmart ("Board") is committed to ensuring that the Company's obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The Directors and their executive management undertake to perform their duties with honesty, integrity, care and due diligence, to act in good faith in the best interests of the Company in a manner that reflects the highest standards of corporate governance.

The Company's Board and management are committed to a high standard of corporate governance practices, ensuring that the Company complies with the Corporations Act 2001 (Cth), ASX Listing Rules, Company Constitution and other applicable laws and regulations wherever possible.

The Company has followed the ASX Corporate Governance Council's Principles and Recommendations ("Principles and Recommendations") where the Board has considered the recommendations to be an appropriate benchmark for its corporate governance practices.

Where, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for adoption of its own practice, in compliance with the "if not, why not" regime.

Principle	Recommendation	Conform Y/N	Disclosure
1. Lay solid foundations for management and oversight			
	1.1 A listed entity should disclose: (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	Y Y	Refer to the Board Charter.
	1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	Y Y	The Board's policy and procedure for the selection, nomination and appointment of new directors and the re-election of incumbent directors is as follows: The Board, in conjunction with the Selection and Appointment of Directors Policy, oversees the appointment and induction process for directors and the selection, appointment and succession planning process of the Company's Chief Executive Officer. When a vacancy exists or there is need for particular skills, the Board determines the selection criteria based on the skills deemed necessary. The Board has historically composed a majority of independent Directors. With the retirement of Steven Penglis in December 2014 and appointment of Fernando de Vicente as Executive Director in January 2015 the Board is currently searching for suitably experienced independent non-executive Director.

Principle	Recommendation	Conform Y/N	Disclosure
			The Board identifies potential candidates and those nominated are assessed by the Board against background, experience, professional skills, personal qualities, whether the nominee's skills and experience will augment the existing Board, and their availability to commit themselves to the Board's activities. The Board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.
	1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Y	A written letter with each Director outlines personal obligations and responsibilities as a Director, and provides them with other information to assist them fulfil the role of Director properly. Contracts of employment are entered into with all senior executives.
	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.	Y	The Company Secretary's role is to support the effectiveness of the Board and its committees. The Company Secretary's role includes, but is not limited to: <ul style="list-style-type: none"> • monitoring the Board and Committee's policies and procedures are followed; • coordinating the timely completion and despatch of Board and Committee papers; • ensuring that the business at Board and Committee meetings is accurately captured in the minutes; • managing communications and interactions with the ASX, ASIC and share registry; and • helping to organise and facilitate the induction of Directors. Each director of the Company is able to communicate directly with the company secretary and vice versa.
	1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant Committee of the Board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and the entity's	N	The Company has not established a separate Diversity Policy. The Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under the Act. <ul style="list-style-type: none"> • a diverse skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals; • a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;

Principle	Recommendation	Conform Y/N	Disclosure
	<p>progress in achieving them;</p> <p>(b) disclose that policy or summary of it; and</p> <p>(c) disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant Committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Relations Act:</p>		<ul style="list-style-type: none"> improved employment and career development opportunities for women; a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity. <p>With the sale of the Australian and New Zealand business in January 2014 the operations and almost all of the employees are based in the United Kingdom. The Company adopts a policy of diversity of employment across race, age and gender for employees within the United Kingdom.</p>
	<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and The Board undertakes an annual evaluation of its effectiveness as a whole against a broad range of good practice criteria. The chairman reviews the individual performance of each Director.</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period.</p>	<p>Y</p> <p>Y</p>	<p>ThinkSmart holds and maintains an Employee Handbook in UK which includes details of:</p> <ul style="list-style-type: none"> General Policies including equal opportunities, data protection, probationary periods and performance appraisals Employee benefit programmes including pay, private medical insurance, pensions Leave Entitlement including holidays, sickness, maternity, absence management Health and Safety Standard of Behaviour and Work Rules including disciplinary, grievance, whistle blowing, expenses, overtime.
	<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p>	Y	<p>An annual review process is undertaken when consideration is given to any reward under the short term incentive arrangements.</p> <p>The review process is completed by December each year.</p> <p>The Company does not currently have a separate Remuneration Committee. The Senior</p>

Principle	Recommendation	Conform Y/N	Disclosure
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Y	Independent Non-Executive Director David Griffiths assumes the role of independent chairman for all remuneration –related issues and follows the ASX Corporate Governance Principles regarding performance evaluation and remuneration policy.
2. Structure the Board to add value			
	<p>2.1 The Board of a listed entity should:</p> <p>(a) have a Nomination Committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent Directors; an (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 <p>(b) if it does not have a Nomination Committee, disclose the processes it employs to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to discharge its responsibilities effectively.</p>	N	<p>The Company does not currently have a separate Nomination Committee. The Board has decided that no efficiencies will be achieved by establishing a separate Nomination Committee. The full Board carries out the duties that would otherwise be undertaken by the Nomination Committee, including assisting with the review of the Board's size and composition, its committees and committee charters and to evaluate Board candidates and recommend to the Board individuals for Board appointment/shareholder election.</p> <p>Following the retirement of Mr Steven Penglis in December 2014 the Board has not yet appointed a replacement independent Director. With the appointment of former Non-Executive Director Mr Fernando de Vicente as CEO in January 2015 the Board currently comprises one Executive Chairman, one Senior Independent Non-executive Director and two Executive Directors. The Senior Independent Non-Executive Director David Griffiths assumes the role of independent chairman for all remuneration–related issues and follows the ASX Corporate Governance Principles regarding performance evaluation and remuneration policy.</p> <p>The Board is currently searching for Independent Director with a specific range of skills, experience and expertise required for the effective functioning of the Board and guidance for ThinkSmart.</p>
	2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve	Y	Refer Appendix A
	2.3 A listed entity should disclose:		
	(a) the names of the Directors considered by		

Principle	Recommendation	Conform Y/N	Disclosure
	<p>the board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association 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, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director.</p>	<p>Y</p> <p>Y</p> <p>Y</p>	<p>Mr David Griffiths Senior Independent Non-Executive Director</p> <p>Information relating to the directors of the Company, including whether they are considered independent, their skills, experience, expertise, and period of office they have held is contained in the Directors' Report section of the Annual Report or on ASX announcements if appointed subsequent to completion of the Annual Report.</p>
	2.4 A majority of the Board of a listed entity should be independent	N	The Board currently comprises one Executive Chairman, one independent Director and two executive Directors and is currently searching to appoint one or more independent Director(s) with appropriate skills and expertise.
	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.	Y/N	<p>The Chairman of the Board, is Executive Chairman and majority Shareholder Mr Ned Montarello. Mr Montarello is not the CEO. Mr Fernando de Vicente is the CEO of the Company.</p> <p>The Chairman is responsible for the leadership and effective performance of the Board, to facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management. The Chairman's responsibilities are set out in more detail in the Board Charter.</p>
	2.6 A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Y	An induction program is provided for directors new to the company to familiarise themselves with the Company. Professional Development requirements are addressed at the time of Chairman reviews or as circumstances require.
3. A listed entity should act ethically and responsibly			
	<p>3.1 A listed entity should:</p> <p>(a) have a code of conduct for its Directors,</p>	Y	The Company has an established Corporate Code of Conduct ("Code") to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches. The

Principle	Recommendation	Conform Y/N	Disclosure
	senior executives and employees; and (b) disclose that code or a summary of it.	Y	Code underpins the Company's commitment to integrity and fair dealing in its business affairs and a duty of care to all Directors, officers, employees and consultants of the Company, who are committed to implementing the Code and each individual is accountable for such compliance.
4. Safeguard integrity in corporate reporting			
	<p>4.1 The Board of a listed entity should:</p> <p>(a) have an Audit Committee which:</p> <p>(1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(2) Is chaired by an independent Director, who is not the chair of the Board, and disclose:</p> <p>(3) the charter of the Committee;</p> <p>(4) the relevant qualifications and experience of the members of the Committee; and</p> <p>(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</p> <p>(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.</p>	<p>Y</p> <p>N</p> <p>Y</p> <p>Y</p> <p>N/A</p>	<p>The Board has an established Audit and Risk Committee.</p> <p>The Audit and Risk Committee has an independent Chairman Mr David Griffiths and two executive Director members.</p> <p>The Audit and Risk Committee has a formal charter in place and is disclosed on the Company website. The charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.</p> <p>Information relating to the Directors of the committee, their skills, experience, expertise and the number of times the committee met throughout the period is contained in the Directors' Report section of the Annual Report</p>
	4.2 The Board of a listed entity should, before it approves the entity's financial statements		The Chief Executive Officer and Chief Financial Officer confirm in writing that the declaration provided in accordance with section 295A of the Corporations Act 2001,

Principle	Recommendation	Conform Y/N	Disclosure
	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.	Y	that, in their opinion, the financial records of the Company for a financial year have been properly maintained in accordance with the Act and that the financial statements and the notes for the financial year comply with the accounting standards and give a true and fair view of the financial position and performance of the Company. The declaration is given before the Directors approve the financial statements for the financial year.
	4.3 A 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.	Y	The Company ensures the external auditor's lead engagement partner attends the Annual General Meeting to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.
5. Make timely and balanced disclosure			
	5.1 A listed entity should: (a) have a written policy for complying its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Y	To ensure the Company complies promptly with its continuous disclosure obligations, the Board has established a written policy on information disclosure and relevant procedures for reporting any information which a reasonable person would expect may have a material impact upon the price or value of the Company's shares or which when issued would prevent the emergence of a false market in the Company's shares. The focus of these procedures is on continuous disclosure compliance and improving access to information for investors by notifying the ASX, posting releases on the Company website, and issuing media releases. The Company has formalised both its Continuous Disclosure and Shareholder Communications Policies, which are contained in the Corporate Governance section available on the Company website.
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.	Y	The Company has implemented an Investor Communications Policy to ensure that shareholders and the financial market have timely access to material information concerning the Company. The Policy details how information is communicated. The Company website provides a platform to disclose official ASX releases of material

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			information and periodic reports, press releases, notices and presentations as well as a mechanism for shareholders to contact the Company through the website material request form. This information is easily accessible to the public with electronic communication options.
	6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Y	Refer 6.1 The Company regularly undertakes investor briefings and roadshows and releases all investor presentations to ASX.
	6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Y	The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level accountability and identification with the Company's strategy and goals. Important issues are presented to the security holders as single resolutions.
	6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Y	Shareholders are able to make contact with and receive communications from both the Share Registry and the Company electronically. In addition, through the Company's Share Registry, Computershare Investor Services ("Computershare") shareholders can find many of the investor services available online through the Computershare Investor Centre. Via Computershare shareholders can: <ul style="list-style-type: none"> • create and manage investor portfolios, • view shareholdings, balances, payment history, tax statements and any Dividend Reinvestment Plans (DRP), • update their personal details including address, payment instructions, and Tax File Number (TFN) / Australian Business Number (ABN), • modify communication elections and register to receive all company announcements electronically (which includes Notice of Meetings and Annual Reports), • access proxy voting facilities, • access forms; and • create custom groups for portfolios with many holdings.
7. Recognise and manage risk			
	7.1 The Board of a listed entity should:		

Principle	Recommendation	Conform Y/N	Disclosure
	<p>(a) have a committee or committee to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent Director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose the fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>N</p> <p>N</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>Y</p>	<p>The entire Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal control. The Board and CEO have responsibility for implementing the risk management systems.</p> <p>The Board receives comprehensive monthly management reports encompassing the operations of ThinkSmart and the Financial Management. Management reports on key and emerging risks together with the controls and actions addressing those risks.</p>
	<p>7.2 The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Y</p> <p>Y</p>	<p>The Board identifies operational risk categories to assist with risk identification, measurement and provide a basis for organising and reporting outcomes. It also identifies the mitigating practices & controls identified by management.</p> <p>Management have identified operational risk categories and the framework is currently under development.</p>
	7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Y	<p>The Board receives comprehensive monthly management reports encompassing the operations of ThinkSmart and the Financial Management. Management reports on key and emerging risks together with the controls and actions addressing the risks. The Board receives comprehensive monthly management reports encompassing the operations of ThinkSmart and the Financial Management. Management reports on key and emerging risks together with the controls and actions addressing the risks.</p>
8. Remunerate fairly and responsibly			
	8.1 The Board of a listed entity should:		The Company does not currently have a separate Remuneration Committee. The full

Principle	Recommendation	Conform Y/N	Disclosure
	<p>(a) have a Remuneration Committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director,</p> <p>And disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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; or</p> <p>(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</p>	<p>N</p> <p>N</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>	<p>Board carries out the duties that would otherwise be undertaken by the Remuneration Committee. The Senior Independent Non-Executive Director David Griffiths assumes the role of independent chairman for all remuneration-related issues and follows the ASX Corporate Governance Principles regarding performance evaluation remuneration policy.</p> <p>The Board operates with reference to the Remuneration Committee which has a formal charter in place and is disclosed on the Company website. The charter defines the Remuneration Committee's function, composition, mode of operation, authority and responsibilities.</p> <p>Information relating to the Directors of the committee, their skills, experience, expertise and the number of times the committee met throughout the period is contained in the Directors' Report section of the Annual Report.</p>
	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.	Y	The information provided in the Remuneration Report is audited as required by section 308 (3C) of the Corporations Act 2001
	<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	Y	Participants in the Long Term Incentive Plan are prohibited from entering into any scheme or arrangement under which they "hedge" or alter the economic benefit that they may derive in respect of their performance rights.

-Corporate Governance Statement for Think Smart Limited-

APPENDIX A

	BOARD OF DIRECTORS			
	Ned Montarello Executive Chairman	David Griffiths Independent Director	Fernando de Vincente CEO Executive Director	Keith Jones Executive Director
Appointment Date				
Month/Year	May 2010	Nov 2000	Apr 2010	May 2013
Term Expiration Date				
Month/Year	AGM	AGM	AGM	AGM
Skills and Experience				
ASX Listed Board of Director Experience	S	S	S	S
International Experience	S	S	S	S
Complex Organisation Experience	S	S	S	S
Financial Specialism - including capital markets, corporate finance, re-structuring	S	S	S	S
Consumer Finance Sector Experience	S	S	S	S
Legal	-	-	-	-
Ability to Chair Audit and Risk Committee	-	S	-	-

Ability to Chair Remuneration Committee	-	S	-	-
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