

Continuous Disclosure Policy

This Disclosure Policy comprises:

- Part 1:** *Executive Summary.*
- Part 2:** *The Legal Position*, which describes Thorn Group Limited's (*Thorn Group*) principal disclosure obligations and the consequences of failing to disclose information.
- Part 3:** *Materiality Guidelines*, which describe the qualitative and quantitative tests of materiality.
- Part 4:** *Reporting Processes*, which describes the system to be followed in identifying potentially discloseable information, reporting it internally and, if required, disclosing it to the Australian Securities Exchange Limited (*ASX*).

Part 1 – Executive Summary

Except in certain circumstances, Thorn Group is required to immediately disclose to the ASX any information regarding the company and its subsidiaries that may have a material effect on the price or value of Thorn Group's securities.

Any officer or employee who becomes aware of information relating to Thorn Group or one of its subsidiaries which may need to be disclosed must communicate that information to the Company Secretary or the Chief Financial Officer or, in their absence, the Chief Executive Officer, so that it can be more fully considered by those responsible for deciding whether or not disclosure to the ASX is necessary. A failure by Thorn Group to make timely disclosure of information that may have a material effect on the price or value of Thorn Group's securities may result in criminal or civil liability for Thorn Group, its directors and executive officers.

Part 2 – The Legal Position

1. Introduction

Thorn Group is a listed public company and will comply with the continuous disclosure obligations contained in the Listing Rules of the ASX (the *Listing Rules*), the relevant provisions of the Corporations Act and the Principles of Good Corporate Governance and Best Practice Recommendations released by the ASX Corporate Governance Council (the *ASX Recommendations*).

Thorn Group Limited

Continuous Disclosure Policy

2. ASX Disclosure

2.1 Obligations

Subject to the exceptions contained in the Listing Rules, Thorn Group will immediately notify the ASX of any information concerning the business of Thorn Group that a reasonable person would expect to have a material effect on the price or value of Thorn Group's securities.

Thorn Group will not release this information to any other person until it has given the information to the ASX and received an acknowledgment that ASX has released the information to the market.

2.2 The Exceptions

Thorn Group is aware that disclosure is not required by the Listing Rules where certain conditions are satisfied (see Listing Rule 3.1).

2.3 Correcting a false market

Where requested by ASX, Thorn Group will provide the ASX with any information necessary to correct or prevent a false market in Thorn Group's securities.

2.4 Awareness of information

Whenever a director or executive officer of Thorn Group is in possession of information which may have a material effect on the price or value of Thorn Group's shares, that information will be immediately communicated in accordance with this Disclosure Policy.

2.5 Materiality of information

Materiality guidelines are set out in Part 2 of this Disclosure Policy.

2.6 Generally available information

There is no requirement for Thorn Group to disclose information which is generally available.

3. Appointment of an Authorised Officer

The officers who have primary responsibility for the administration of Thorn Group's Disclosure Policy are the:

- Company Secretary; and
- Chief Financial Officer;

and, in their absence, the:

Chief Executive Officer.

Together, the responsibilities of these officers include:

- (a) making sure that Thorn Group complies with its continuous disclosure obligations, and monitoring that compliance; and

Thorn Group Limited

Continuous Disclosure Policy

- (b) overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public; and
- (c) educating directors and employees about this Disclosure Policy and raising awareness of the principles underlying continuous disclosure.

4. **Contravention and Liability**

4.1 **Contravention**

A failure to comply with the Disclosure Policy may lead to a breach of the Listing Rules, the Corporations Act or other regulations.

4.2 **Liability**

Thorn Group is aware that if it contravenes its continuous disclosure obligations, it may face criminal and civil liability under the Corporations Act. The Australian Securities and Investments Commission (**ASIC**) can also institute proceedings under the *Australian Securities and Investments Commission Act 2001* (Cth).

Thorn Group's officers (including its directors and employees) and advisers who are involved in a contravention by Thorn Group may also face criminal and civil liability (and disciplinary action by Thorn Group, in the case of employees).

Similarly, directors, officers and advisers may be criminally liable under the Criminal Code if they aid or abet, or are in any way knowingly concerned in Thorn Group's contravention.

4.3 **Unwanted publicity**

Contravention of its continuous disclosure obligations may lead to unwanted negative publicity for Thorn Group, as well as enforcement action and possible legal liability.

5. **ASX Policy**

5.1 **Trading Halts**

Thorn Group may request a trading halt from the ASX or make a preliminary or holding announcement where a proposal is insufficiently complete to warrant disclosure.

5.2 **Rumours**

Thorn Group will not generally respond to reports or market rumours. However, there are exceptions to this (see discussion in section 5 of Part 4 below).

5.3 **Analysts**

Thorn Group will not provide analysts with any information which is material but not public.

5.4 **Overseas Markets**

Information released by Thorn Group to overseas markets will be provided simultaneously to ASX.

Thorn Group Limited

Continuous Disclosure Policy

5.5 Information Not Widely Known

The fact that information about a company is widely known does not avoid the obligation to disclose it to the ASX. Press releases will need to be copied to the ASX if they contain any material information not already disclosed to the market.

5.6 Investor briefings

Where possible, Thorn Group will arrange for advance notice of significant group briefings (eg results announcements) and make them widely accessible,

A record is to be kept of issues discussed at group or one-on-one briefings with investors and analysts, including a list of who was present and the time and place of meeting,

6. Other Specific Disclosure Requirements

6.1 Listing Rules

Thorn Group will comply with other disclosure requirements contained in the ASX Listing Rules.

For example, the Listing Rules require disclosure in relation to the following matters:

- (a) **General meeting dates** – the date of any general meeting of Thorn Group at which directors may be elected (Listing Rule 3.13.1);
- (b) **General meeting announcements** – the contents of any prepared announcement (such as the Chairman's address) that will be delivered at a general meeting of Thorn Group (Listing Rule 3.13.3);
- (c) **General meeting resolutions** – the outcome of all resolutions put to a general meeting of Thorn Group (Listing Rule 3.13.2);
- (d) **Changes to issued securities** – any alteration to the issued securities of Thorn Group (for example, a new share issue, a capital reduction or a capital reconstruction) (Listing Rules 3.10.1, 3.10.3 and 3.10.5);
- (e) **Changes to office bearers** – changes in directors, Chief Executive Officer, Chairman, Company Secretary or auditor (Listing Rule 3.16);
- (f) **Changes to offices** – any change to a registered office or principal administrative office (Listing Rule 3.14);
- (g) **Documents sent to security holders** – a copy of any document sent to a class of security holders (Listing Rule 3.17); and
- (h) **Disclosure documents, PDS and information memoranda** – a copy of any disclosure document or PDS immediately after it is lodged with ASIC and a copy of any information memorandum before it is issued (Listing Rule 3.10.4).

6.2 Corporate Governance Best Practice Recommendations

Thorn Group also seeks to comply with the ASX Recommendations. The Thorn Group website contains or will shortly contain the following:

Thorn Group Limited

Continuous Disclosure Policy

- a document clearly setting out the responsibilities of the Board or a statement of the matters that have been delegated to management;
- a description of the policy and procedure for selecting and appointing new directors to the Board;
- any applicable code of conduct for directors and senior management, and any trading policy for directors, officers and employees, or a summary of those policies;
- the charter of the Audit, Risk and Compliance Committee and a description of the procedures for the selection and appointment of the external auditor and the rotation of external audit engagement partners;
- this Disclosure Policy;
- a description of Thorn Group's arrangements for promoting communication with its shareholders;
- a description of the process for evaluating the performance of the Board, its committees, individual directors and key executives;
- Thorn Group will also have regard to the recommendations of the ASX Corporate Governance Council in the preparation of its annual report, financial results and any other structured disclosure document.

In addition, if an independent director of Thorn Group is considered by the company to have lost their status as an independent director in accordance with the Board Charter, that fact will be immediately disclosed to ASX.

Part 3 – Materiality Guidelines

1. Introduction

The following guidelines are provided to assist directors and employees in identifying matters that may require disclosure. The purpose of these guidelines is to identify matters which can then be considered more fully, with a view to determining whether disclosure is required.

All of the matters which will require consideration under these guidelines will not necessarily require disclosure. Conversely, it is important to remember that a matter may be discloseable even if it does not come within any of the following categories.

Where a matter is potentially discloseable, the Company Secretary and/or the Chief Financial Officer (or, in their absence, the Chief Executive Officer), should be informed as soon as possible.

Thorn Group Limited

Continuous Disclosure Policy

2. Materiality Thresholds

2.1 Thresholds

The thresholds are:

- (a) qualitative; and
- (b) quantitative.

2.2 Qualitative test

By way of example, these qualitative matters (some of which are drawn from a note to Listing Rule 3.1) may include, but are not limited to, matters:

- (a) that might affect Thorn Group's ability to carry on business;
- (b) that might have a material effect on the future business activities of Thorn Group;
- (c) that might have a material effect on income, cash flow or the ability to generate profits (including where there would be a long term effect even if the effect in any one year is not material);
- (d) involving any significant changes in technology or the application of technology which could affect Thorn Group's business;
- (e) involving any proposed change in regulation or law that could materially affect Thorn Group's business;
- (f) involving a significant allegation of any breach of the law, whether civil or criminal, by Thorn Group or any of its employees;
- (g) involving a material change in Thorn Group's financial forecasts or expectations;
- (h) involving a transaction for which the consideration payable or receivable is a significant proportion of the written down value of Thorn Group's consolidated assets (normally an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case);
- (i) involving the appointment of a receiver, manager, liquidator or administrator to Thorn Group or an event which could result in Thorn Group or an affiliate entity becoming insolvent;
- (j) involving a declaration of a dividend or a decision that a dividend will not be declared;
- (k) involving an agreement between Thorn Group (or a related party or affiliate entity) and a director (or a related party of a director);
- (l) involving a change in executive personnel or structure;
- (m) that may have a materially adverse effect on Thorn Group's reputation;
- (n) concerning material information regarding the beneficial ownership of Thorn Group's securities obtained under the Corporations Act;
- (o) relating to the giving or receiving of a notice of intention to make a takeover;

Thorn Group Limited

Continuous Disclosure Policy

- (p) concerning any rating applied by a rating agency to Thorn Group or any of its securities, and any change to such a rating;
- (q) involving a material change in accounting policy adopted by Thorn Group;
- (r) involving a proposal to change Thorn Group's auditor; and
- (s) that are in some other way onerous, unusual or so outside the ordinary course of business that they ought to be considered.

Disclosure of any of these matters would be required if a reasonable person would expect it to have a material effect on the price or value of Thorn Group's securities.

2.3 Quantitative test

The following matters will need to be considered to determine if disclosure is required:

- (a) matters which potentially may affect the Thorn Group group's forecast profit (loss) before tax in any one year by more than 5%;
- (b) matters which potentially may affect the percentage of assets or liabilities of the Thorn Group by more than 5%; and
- (c) matters involving any claim against Thorn Group or a company controlled by Thorn Group exceeding A\$1 million.

Part 4 – Reporting Processes

1. Introduction

Thorn Group's reporting system includes:

- (a) regular internal reporting which may identify matters requiring disclosure;
- (b) reporting of events occurring between regular reporting which may identify matters requiring disclosure; and
- (c) the process for regularly reviewing Thorn Group's continuous disclosure compliance program.

2. Regular Reporting

The following regular reporting is provided by executives and other employees within the Thorn Group and is reviewed for a variety of functional reasons. These reports should assist in identifying the occurrence of any significant event:

- (a) monthly written reports of those executives that report directly to the Chief Executive Officer;
- (b) meetings of Thorn Group's key executives with the Chief Executive Officer; and
- (c) Board reports (which contain the report from the Chief Executive Officer).

Thorn Group Limited

Continuous Disclosure Policy

However, directors, executives and other employees should not wait for, or rely on, regular reporting to advise of an important event that may require disclosure under Thorn Group's continuous disclosure obligations.

Each director is also required to consider whether they possess any information which may require disclosure by Thorn Group under its continuous disclosure obligations. It is a standing agenda item at each Board meeting that the directors raise and consider any information which potentially may require disclosure. The monthly Board report contains a section dealing with continuous disclosure issues.

3. Events Occurring between Regular Reporting

3.1 On-going assessment of information

It is essential that there is ongoing monitoring and assessment by directors, executives and other employees within Thorn Group of information for the purposes of disclosure. The aim is twofold – to identify new information that should be disclosed, and to ensure that information that has previously been withheld from disclosure on the basis of the exceptions is released immediately once the exceptions no longer apply.

3.2 Person to whom events should be reported

If a director, executive or other employee within the Thorn Group becomes aware of information that may have a material effect on the price or value of Thorn Group's securities, they should immediately notify that information to the Company Secretary or the Chief Financial Officer or, in their absence, the Chief Executive Officer, either by phone or by email.

It is critical to Thorn Group's effective compliance with its continuous disclosure obligations that information is communicated by its directors, executives and other employees as soon as they become aware of that information.

In all circumstances, should a director, executive or other employee have any doubt as to whether the information requires disclosure, they should err on the side of caution and notify that information to the Company Secretary or the Chief Financial Officer or, in their absence, the Chief Executive Officer.

3.3 Process to determine if disclosure required

When a matter is reported, the Company Secretary and/or the Chief Financial Officer will discuss the significance of the matter and possible disclosure responses with the Chief Executive Officer and, if the matter is sufficiently significant, the Chairman. If the matter is required to be disclosed, the Company Secretary and/or the Chief Financial Officer will:

- co-ordinate the preparation of a draft ASX announcement; and
- where practicable, having regard to Thorn Group's disclosure obligations, circulate the draft announcement to the Chairman and relevant management and external advisers for review.

Thorn Group Limited

Continuous Disclosure Policy

Once the review process has been completed, the Company Secretary will disclose the information to the ASX and advise the Chief Financial Officer and the Board when an acknowledgment has been received from the ASX that the information has been released to the market, to enable the information to be released to the media (as appropriate).

To improve access to investors of material information about Thorn Group, when acknowledgment is received from ASX that information disclosed to it has been released to the market, the Company Secretary will arrange for it to be posted on Thorn Group's website. The information is to be posted in an area of the website separate from promotional material.

3.4 No selective disclosure

A corollary of the continuous disclosure obligation is that there must be **no selective disclosure of price sensitive information**. All releases of price sensitive information must first be made through the ASX Company Announcements Platform. This ensures that the market as a whole has equal access to material information about Thorn Group at the same time.

3.5 Protecting the confidentiality of information

Thorn Group may choose not to disclose information about itself that may have a material effect on the price or value of its securities, in reliance on the exceptions from disclosure described in Listing Rule 3.1. The exceptions only apply, however, if the information is kept confidential. Accordingly, each director, executive and other employee of Thorn Group (as well as an adviser or consultant) who possesses price sensitive information about Thorn Group that has not been disclosed to the ASX must protect and preserve the confidential nature of that information, including by:

- (a) refraining from discussing that information with, or divulging that information to, any person who is not authorised by Thorn Group to receive that information; and
- (b) ensuring that any documents or other written material in their possession in relation to that information are properly and securely stored and are not disclosed to an unauthorised person.

If a director, executive or other employee has any doubt as to whether information is price sensitive or who is authorised to receive that information, they should discuss the matter with the Company Secretary and/or the Chief Financial Officer (or in their absence, the Chief Executive Officer).

4. Routine Business Reporting

When an event occurs that is a matter of fact, such as a new executive appointment, the Company Secretary will disclose the information to the ASX and advise the Chief Financial Officer when an acknowledgment has been received from the ASX that the information has been released to the market, to enable the information to be released to the media and posted on Thorn Group's website (as appropriate).

Thorn Group Limited

Continuous Disclosure Policy

5. Leaks, Rumours and Inadvertent Disclosure of Information

5.1 Leaks, rumours and inadvertent disclosure

Thorn Group's general policy is not to respond to reports or rumours about it published by analysts, fund managers or reporters. From time to time, however, it may be necessary to respond to the unauthorised or selective disclosure of information or market rumours concerning Thorn Group, particularly where the information or rumour is having, or likely to have, an impact on the price of Thorn Group's securities.

To ensure a consistent response from Thorn Group to such occurrences, all instances of unauthorised or selective disclosure or rumours should be reported to the Company Secretary and/or the Chief Financial Officer as soon as they become known.

5.2 Assessment of Thorn Group's response

When a matter is reported, the Company Secretary and/or the Chief Financial Officer will discuss the significance of the matter and possible disclosure responses with the Chief Executive Officer and, if the matter is sufficiently significant, the Chairman.

5.3 Disclosure of information

If the information the subject of the unauthorised or selective disclosure is considered material, or there is a significant market rumour concerning Thorn Group that is having or is likely to have an impact on the price of Thorn Group's securities, the Company Secretary and/or the Chief Financial Officer will co-ordinate the development of a disclosure response to ASX and comply with the procedures set out in clause 3.3 of Part 3, in relation to the preparation and review of the draft disclosure, and distribution of the information to the ASX, the Board, the media and others.

5.4 Referral of enquiries

Any queries by the ASX, the media, analysts, brokers, shareholders or the public about a market rumour concerning Thorn Group or regarding information that is subject to this Disclosure Policy must be referred to the Company Secretary and/or the Chief Financial Officer or, in their absence, the Chief Executive Officer.

The only persons authorised to speak to the media or any other person outside the company about market rumours concerning Thorn Group or about information that is subject to this Disclosure Policy are the Chief Executive Officer and the Chief Financial Officer, or those who are authorised by the Chairman or the Chief Executive Officer from time to time. Communications with the ASX are covered in section 6 below.

6. Release of Information from Thorn Group

To ensure that Thorn Group approaches its continuous disclosure obligations consistently, and information is not released publicly prior to its disclosure to ASX, it is important that:

- (a) no-one other than the Company Secretary releases information to, or communicates with, the ASX unless specifically authorised to do so by the Chief

Thorn Group Limited

Continuous Disclosure Policy

Executive Officer or the Chief Financial Officer. This includes responding to market rumours, leaks of sensitive information and inadvertent disclosure; and

- (b) any executive or other employee proposing to disclose information about Thorn Group publicly, such as at private briefings, must:
 - (i) inform the Company Secretary and/or the Chief Financial Officer of the information to be disclosed, to ensure that Thorn Group's disclosure obligations are not breached;
 - (ii) provide to the Company Secretary and/or the Chief Financial Officer a copy of any presentation slides or other documents to be used, for release to the ASX and posting on the website (as appropriate);
 - (iii) only discuss information that has been released to the ASX or is not of a material nature; and
 - (iv) decline to respond, or take on notice, any question the answer to which would require disclosure of material information until the information has been disclosed to the ASX.

7. Regular Review of this Disclosure Policy

The following process has been determined for the ongoing review of Thorn Group's compliance with its continuous disclosure obligations. The Audit, Risk and Compliance Committee will:

- (a) conduct a regular review of the adequacy of this Disclosure Policy and the procedures established under it to ensure Thorn Group identifies in a timely manner all material disclosure events, that the Company Secretary and/or the Chief Financial Officer are promptly made aware of such events and that Thorn Group's disclosure obligations are being met;
- (b) conduct a regular review of the adequacy of the materiality thresholds and recommend changes to the Board;
- (c) ensure that all potential continuous disclosure matters are immediately identified and considered on a case by case basis as to whether disclosure is required under Thorn Group's legal obligations; and
- (d) maintain a record of matters considered for disclosure and further develop policies that promote a considered and consistent approach to disclosure.

8. Raising Awareness of Continuous Disclosure Obligations

The Company Secretary and/or the Chief Financial Officer will arrange for regular training sessions to be conducted for executives and other employees to provide information about Thorn Group's continuous disclosure obligations, to describe the operation of this Disclosure Policy and to raise awareness of the principles underlying continuous disclosure.

Thorn Group Limited

Continuous Disclosure Policy

9. Summary

In summary, it is the responsibility of each director, executive and other employee of Thorn Group to communicate any information regarding Thorn Group that may have a material effect on the price or the value of Thorn Group's securities, as soon as that person becomes aware of the information.

If any director, executive or other employee is in any doubt as to whether the information should be disclosed, they must disclose that information to the Company Secretary or the Chief Financial Officer or, in their absence, the Chief Executive Officer in accordance with this Disclosure Policy, and it will then be more fully considered by those responsible for deciding whether or not disclosure to the ASX is necessary.

A failure by Thorn Group to make timely disclosure of information that may have a material effect on the price or value of Thorn Group's securities may result in criminal or civil liability for Thorn Group, its directors, executives and other employees.

10. Queries

If, at any time, directors, executives or other employees have any queries regarding their information reporting obligations, or Thorn Group's continuous disclosure obligations, they should contact the Company Secretary or the Chief Financial Officer by phone or email.

Reviewed 2 November 2011