

# Thorn Group Limited

ACN 072 507 147

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**ASX & MEDIA RELEASE**

**15 MAY 2013**

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## **THORN CEO CONTRACT EXTENDED TWO YEARS**

Financial services company, Thorn Group Limited (ASX: TGA), has advised that the employment contract for the CEO & Managing Director, John Hughes, has been extended for another two years until 31 March 2015.

Mr Hughes has been Managing Director since September 2006 and played a pivotal part in its ASX listing in December 2006 along with being a key driver of Thorn's growth over the past six years.

Chairman of Thorn, David Carter, said the board was very pleased with the extension, especially at a critical time in the Company's progress to becoming a broader based financial services business.

"John is a dedicated and ardent leader of the business and it is certainly beneficial for shareholders for him to continue to manage the group as it implements its strategy for development of new opportunities in the finance sector," Mr Carter said.

Thorn's initiatives in recent years have included major operational improvements and expansion of services of the core Radio Rentals business, development of a consumer loans portfolio through Cashfirst, the re-establishment of a commercial lending business via Thorn Equipment Finance, entry into receivables management with the acquisition of NCML and commencement of a trial of a "rent, drive, buy" product in the used car market.

Managing Director, John Hughes, said he was delighted to remain involved in the business which he has been passionate about for many years.

"We've been developing a number of opportunities in recent years and it's pleasing to remain involved and be able to make a further contribution in their evolution to the point where I believe they will be making a significant contribution," Mr Hughes said.

The schedule to this release contains an overview of the material terms of Mr Hughes' employment contract.

Thorn will release its results for the 12 months to 31 March 2013 on Tuesday 21 May 2013.

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**For further information please contact:**

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**ABOUT THORN GROUP LIMITED (ASX: TGA, [www.thorn.com.au](http://www.thorn.com.au))**

Thorn Group is a financial services company and a leader in the household goods rental market. Its core business is Radio Rentals (Rentlo in South Australia), a brand in Australia since 1937. Other group businesses comprise Thorn Equipment Finance, providing commercial finance for SMEs, Cashfirst, offering personal loans up to \$5000, and NCML, a full service receivables management company. The group now has over 84 outlets nationally.

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## Schedule - Summary of terms of employment contract for John Hughes (CEO & Managing Director):

<b>Term</b>	New two year contract from 1 April 2013 to 31 March 2015 (Term), subject to termination as described below.
<b>Fixed remuneration</b>	AU\$617,000 for each year of the Term (including superannuation). To be reviewed annually, with the first review in April 2014.
<b>Short term incentive</b>	Mr Hughes is eligible to participate in Thorn's Short Term Incentive ( <i>STI</i> ) Plan, as varied or replaced by Thorn from time to time. Under the STI Plan, Thorn may in its discretion pay an incentive to Mr Hughes of up to 100% of his fixed remuneration, based on performance against key performance indicators agreed between Mr Hughes and the board of directors of Thorn. Please see page 7 of Thorn's Annual Report to Shareholders lodged with the ASX on 23 July 2012 for a further description of Thorn's STI Plan.
<b>Long term incentive</b>	Subject to any necessary or appropriate shareholder approvals, Mr Hughes is entitled to participate in Thorn's Long Term Incentive (LTI) Plan, as varied or replaced by Thorn from time to time and on terms determined by the Board. Please see page 6 of Thorn's Notice of Annual General Meeting lodged with ASX on 23 July 2012 for a description of the current terms of Thorn's LTI Plan, and the terms of the performance rights then granted to Mr Hughes following the receipt of shareholder approval for that grant.
<b>Tenure bonus payment</b>	Mr Hughes is entitled to a tenure bonus of \$150,000 per annum for the financial years ending 31 March 2014 and 2015.
<b>Termination</b>	<p><b>Termination by notice (by Thorn or Mr Hughes)</b> 6 months' notice in writing is required from either party. A payment in lieu of notice may be paid at Thorn's election.</p> <p><b>Termination payment</b> On the termination of Mr Hughes' employment, for any reason other than misconduct or material breach of agreement etc, Mr Hughes is entitled to a termination payment of \$300,000. This payment is also exclusive of any other remuneration, award, bonus etc. Unless shareholder approval is obtained, termination benefits in all scenarios will be capped at the maximum amount that can be paid without shareholder approval under termination benefits laws.</p> <p><b>Misconduct or material breach etc.</b> Termination will occur without notice.</p> <p><b>Expiry of the Term</b> No notice of termination is required, unless employment continues beyond the Term, in such case the notice required to terminate Mr Hughes' employment will be 6 months.</p>
<b>Non-compete</b>	From the termination date, Mr Hughes will be subject to various non-compete obligations for a period of six months.