



Board Charter

19 July 2022

1. Purpose

The purpose of this Charter is to establish an appropriate, practicable and consistent framework of control for Thorn Group Limited (“Thorn” or “the Company”), so as to maximise compliance with statutory and corporate governance requirements.

The framework of control is intended to assist executive officers and others to perform their duties and manage risk effectively, whilst enabling the Board to monitor performance and compliance.

2. The Role of the Board

The role of the Board is to provide strategic guidance for Thorn and effective oversight of management. The Board always retains ultimate authority over management of Thorn and its controlled entities.

3. The Responsibilities of the Board

The Board is responsible for optimising the performance of Thorn and building shareholder wealth having regard to its community stakeholder obligations. These may include the following:

- Providing strategic direction and guidance for Thorn;
- Approving Thorn’s annual targets and financial statements and monitoring Thorn’s financial performance;
- Determining dividend policy and the amount, nature and timing of dividends to be paid;
- Approving any significant budgeted and/or non-budgeted capital expenditure;
- Monitoring the management of Thorn’s capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- Reporting to shareholders on their stewardship of Thorn on a regular and timely basis;
- Calling of meetings of shareholders;
- Approving and reviewing Thorn’s Code of Conduct;
- Selecting, appointing, monitoring and evaluating the performance of, determining the remuneration of, planning for the successor of, and removal of the Chief Executive Officer;
- Reviewing and approving, with the guidance of the Remuneration & Nomination Committee, the remuneration framework including the Remuneration Policy;
- Determining the terms of employment (including remuneration) and approving the appointment of Senior Executives and any other person the Board determines and monitoring the performance of Senior Executives;
- Appointing (and where appropriate) removing the Company Secretary;
- Reviewing and approving, with the guidance of the Remuneration & Nomination Committee, remuneration and other benefits to be paid to non-executive directors, subject to the Board fee pool approved by shareholders in general meeting;
- Reviewing and evaluating, with the guidance of the Remuneration & Nomination Committee, Board composition, processes and performance; evaluating the performance of the Board, its Committees and individual directors; and reviewing, with a view to ensuring, that the Directors and Senior Executives collectively have the full range of skills, diversity, experience and expertise required for effective and prudent management of the Company;
- Establishment of Board committees, their membership and delegated authorities;
- Reviewing and approving policies, charters and frameworks required to be approved by the Board;
- Ensuring that delegations and discretions provided to management by the Board are being exercised appropriately;

- With the guidance of the Risk & Compliance Committee, satisfying itself that the Company has in place an appropriate risk management framework for financial and non-financial risks by reviewing and undertaking oversight and challenge of the Company's risk management framework and internal compliance and control systems, and reviewing management's implementation of those frameworks and systems in accordance with regulatory requirements. This includes approving Thorn's risk appetite statement and risk management strategy (as established by management), and reviewing, and where necessary approving, particular risks or risk management practices beyond the authority of management;
- Reviewing and approving corporate governance principles and policies and providing oversight of governance arrangements;
- Ensure there is an appropriate framework for relevant information to be reported to the Board from management;
- Adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- Appointing or removing Thorn's External Auditor (on the recommendation of the Audit Committee); and
- Performing such other functions as are prescribed by law or are assigned to the Board.

In addition, Board members must discharge the following individual responsibilities:

- To act in good faith and in the best interests of Thorn, having prime regard to the interests of shareholders but also considering the interests of employees, customers and other parties with whom Thorn is engaged;
- Positively contribute to formulating strategy and policy for the guidance and management of Thorn;
- Actively participate in the decision-making process of the Board;
- Prepare for, and attend, scheduled and extraordinary meetings of the Board and relevant Committees;
- Use due care and diligence in the execution of their role and exercise their power for proper purposes; and
- Abide by Thorn's Code of Conduct.

4. Authority Delegated to the Chief Executive Officer

The Board has delegated to the Chief Executive Officer authority over the day to day management of Thorn, its subsidiaries and their respective operations. This delegation of authority may include responsibility for the following:

- Implementing the strategic, business and financial objectives and/or plans and instilling Thorn's Code of Conduct;
- Analysing the impact on the strategic objectives and financial position, when allocating resources or capital; approving expenditure; or making major financial decisions;
- Assessing reputational consequences of decisions or actions taken; and
- Implementing processes, policies and systems together with appropriate controls to effectively manage Thorn's operations and key or material risks.

Any matters or transactions outside the delegations of authority must be referred to the Board.

5. Board Independence

a. Criteria for Independence

The Board considers a director to be independent if the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

In making its assessment, the Board will take into account the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

b. Review of independence

The Board will regularly assess the independence of each director in light of the interests disclosed by them.

Whether the Board considers a non-executive director to be independent or not, and the reasons for the Board's opinion, will be disclosed in Thorn's corporate governance statement.

c. Director's right to seek professional independent advice

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the prior approval of the Chairman, or in the Chairman's absence, the Board.

6. Board Size and Composition

- The Company's Constitution governs the regulations and proceedings of the Board.
- The Board, together with the Remuneration & Nomination Committee, determines the size and composition of the Board subject to the terms of the Company's Constitution.
- The Board must comprise a majority of independent non-executive directors and should consist of directors with a broad range of skills, diversity, expertise and experience from range of backgrounds. In addition, a majority of the directors must be ordinarily resident in Australia.
- The Board is responsible for appointing the Chair, and the Deputy Chair (if any).
- The Board will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by Thorn's Constitution and the terms served by existing non-executive directors.

7. Board Committees

The Board may from time to time establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities.

The Board has established the following committees to assist it in discharging its responsibilities:

- the Audit Committee;
- the Risk & Compliance Committee; and
- the Remuneration & Nomination Committee.

The Board may establish additional standing committees as it sees fit to assist the Board in particular areas of focus and will adopt charters setting out matters relevant to the authority, responsibilities, membership and operation of those committees.

The Board may also delegate specific responsibilities to ad hoc committees from time to time.

8. Board Meetings

a. Notices of Meeting

Where possible and time permits, Board and committee papers should be provided to directors prior to each meeting in sufficient time to enable Directors to read the papers and properly prepare for the meeting.

b. Non-executive Director Meetings

The non-executive directors shall meet each year as they see fit for private discussions of management issues.

9. Review of this Charter

The Board shall review the Charter at least once every 2 years to ensure it is kept up to date and consistent with the Board's objectives.

Board reviewed – 19 July 2022