



Board Risk &
Compliance
Committee Charter

19 July 2022

1. Purpose

The Thorn Group Limited (**Thorn**) Board of Directors (**The Board**) is responsible for establishing a framework of risk management across the Thorn group of companies.

The purpose of the Board Risk & Compliance Committee (**BRCC** or **the Committee**) is to assist the Board in discharging its responsibilities in relation to:

- ensuring the Board is satisfied with the risk management framework by assessing the effectiveness of Thorn's overall risk management framework and compliance framework;
- compliance with Thorn's regulatory obligations; and
- supporting a prudent and risk aware approach to business decisions across Thorn.

The Committee will work with the Audit Committee and the Remuneration & Nomination Committee to assist the Board in fulfilling its responsibilities for ensuring sound management of risk and compliance across Thorn.

This Charter should be read in conjunction with the Board Charter. In the event that there is a conflict between the Committee Charter and the Board Charter, the Board Charter will prevail.

2. Authority

The Board authorises the Committee to:

- take such steps and actions as the Committee deems necessary to achieve its Purpose;
- seek information it requires from employees or from external parties; and
- obtain advice from any external parties, as appropriate, at Thorn's expense.

3. Committee Membership and Meetings

a. *Committee Membership*

- Members of the Committee are appointed by the Board and the Committee will consist of at least two non-executive directors.
- All members of the Committee must have sufficient understanding of the risk and compliance issues which affect Thorn and at least one member must have significant risk and compliance experience. In addition, all members must have appropriate understanding of Thorn's business and the financial, operating and legal issues which affect Thorn.

b. *Chair*

- The Board will determine the Chair of the Committee.
- The Chair of the Committee will be a non-executive director.

c. *Quorum*

- The quorum for all Committee meetings is two members.

d. *Meetings*

- The Committee will meet at least four times per year with additional meetings convened as necessary at the request of any member.
- All other non-executive directors of the Board are invited to attend all meetings as observers.

e. *Attendance at Meetings*

- The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate.

f. *Appointment of Committee Secretary*

- The Company Secretary or their nominee will act as the Secretary to the Committee, unless otherwise determined by the Committee.
- The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers. Minutes will be circulated to the Chair promptly after the meeting and confirmed at the next meeting of the Committee.

g. *Right to Access and Information*

- The Committee shall receive information and participate in informal meetings and briefings with management, including the General Counsel / General Manager Risk & Compliance, Chief Financial Officer and/or Head of Group Credit Risk as necessary and appropriate between formal meetings of the Committee. Such briefings and informal meetings may be through the Committee Chair or individual Committee members, as appropriate
- The Committee has unrestricted access to executive management, all employees and all Thorn records, tax and financial advisers, legal advisers, and internal and external auditors.

h. *Reporting to the Board*

- The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities.

4. **Roles and Responsibilities**

a. *Risk Policies and Controls*

The Committee must:

- oversee the establishment and implementation of Thorn's risk management framework, appropriate risk policies and mitigation plans for managing material risks, review and approve any variations to the risk management framework, and recommend any variations of the policies for approval by the Board;
- assist the Board in setting the risk appetite for the operations of Thorn.

b. *Risk Environment*

The Committee must:

- monitor identified and emerging risks;
- review the annual program of risk related activities across Thorn;
- review and monitor Thorn's business continuity and disaster recovery plans;
- review and monitor the effectiveness of the operation of the risk management framework and the sufficiency of resources to operate:
 - the design of the framework;
 - identification and management of risks;
 - the allocation of risk-management responsibilities and reporting;
 - risk assessment and evaluation criteria;
 - risk appetite; and
 - risk tolerance.

c. *Management*

The Committee must:

- review the structure and performance of Thorn's Three Lines of Defence model and respective First, Second and Third Line risk representatives;
- provide input into the appointment or termination of the General Manager Risk & Compliance (or any equivalent role) who reports functionally to the Committee in respect of duties as the General Manager Risk & Compliance; and
- provide input into the objectives and appraisal of the General Manager Risk & Compliance as appropriate.

d. *Compliance*

The Committee shall:

- monitor compliance with key legal requirements and the compliance environment;
- review and monitor the operating effectiveness of the compliance management framework;
- monitor any current or pending litigation or dispute that could have a material financial or reputational risk exposure for Thorn; and
- review regulatory compliance statements (e.g. AML/CTF).

e. *Other*

- The Committee must undertake such further investigations which the Committee considers necessary or may be requested by the Board;
- The Committee, or the Chair or other individual committee members, may meet with regulators as requested or when determined appropriate, regarding matters applicable to the mandate of the Committee.

5. **Review of this Charter**

This Charter will be reviewed and approved on an annual basis by the Board.

Reviewed – 19 July 2022