

NOTICE OF ANNUAL GENERAL MEETING

THORN GROUP LIMITED (FORMERLY RR AUSTRALIA LIMITED)
ACN 072 507 147

NOTICE is hereby given of the annual general meeting of members of Thorn Group Limited ACN 072 507 147 (“the Company”) to be held:

Date: Thursday 19 August 2010

Time: 2.00pm (AEST)

Venue: Four Points by Sheraton (Darling Harbour), 161 Sussex Street, Sydney, New South Wales

ORDINARY BUSINESS

Item 1: Chairman’s address and Chief Executive Officer’s Review of Operations

Item 2: Receipt of Annual Financial Report

Receipt of the Company’s Financial Report, the Directors’ Report and the Auditor’s Report for the year ended 31 March 2010.

Item 3: Adoption of Remuneration Report (Resolution 1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 31 March 2010 be adopted.”

Note: This is an advisory resolution and does not bind the directors or the Company.

Item 4: Re-election of Peter Henley as a director (Resolution 2)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Peter Henley, who retires and being eligible offers himself for re-election, be re-elected as a director of the Company.”

Item 5: Re-election of Paul Lahiff as a director (Resolution 3)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Paul Lahiff, who retires and being eligible offers himself for re-election, be re-elected as a director of the Company.”

SPECIAL BUSINESS

Item 6: Directors’ Fees Pool (Resolution 4)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That in accordance with the Company’s Constitution, the maximum amount that may be paid in aggregate to Non-Executive Directors as remuneration for their services in any year be increased from \$400,000 pa to \$550,000 pa”.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by the Directors and their associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the voting form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the voting form to vote as the proxy decides.

NOTICE OF ANNUAL GENERAL MEETING

continued

Item 7: Performance Rights Plan (Resolution 5)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Performance Rights Plan as described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting 2010, be adopted and shares provided under it be approved for all purposes, including as an exception to ASX Listing Rule 7.1"

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by any:

- Director of the Company except one who is ineligible to participate in the Performance Rights Plan; and
- an associate of any of the above persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the voting form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the voting form to vote as the proxy decides.

Item 8: Performance Rights allocation to John Hughes (Resolution 6)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for all purposes under the Corporations Act and the ASX Listing Rules, including (as applicable) for the purposes of ASX Listing Rule 10.11 and section 200B of the Corporations Act, approval be given to:

- a. the issue of 815,291 Performance Rights to John Hughes on the terms as set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting 2010 and the issue of fully-paid ordinary shares in the Company to John Hughes on the exercise of some or all of the Performance Rights; and
- b. the provision of benefits under the terms of the Service Agreement in connection with John Hughes ceasing to hold a board or managerial office in the Company, on the terms and conditions as more particularly described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting 2010."

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 6 by John Hughes and any of his associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the voting form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the voting form to vote as the proxy decides.

Also, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of:

- John Hughes; or
- an associate of John Hughes.

However, section 200E(2A) of the Corporations Act does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of John Hughes or an associate of John Hughes.

By order of the Board



Peter Eaton, Company Secretary

Date: 15 July 2010

VOTING BY PROXY

- a. (right to appoint): Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- b. (two proxies): To enable a shareholder to divide their voting rights, a shareholder may appoint 2 proxies. Where 2 proxies are appointed:
 - i. a separate Proxy Form should be used to appoint each proxy; and
 - ii. the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- c. (who may be a proxy): A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, "the Chair of the Meeting".
- d. (signature(s) of individuals): In the case of shareholders who are individuals, the Proxy Form must be signed:
 - i. if the shares are held by one individual, by that shareholder; or
 - ii. if the shares are held in joint names, by any one of them.
- e. (signatures on behalf of companies): In the case of shareholders who are companies, the Proxy Form must be signed:
 - i. if it has a sole director who is also sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form); or
 - ii. in the case of any other company, by either 2 directors or a director and company secretary.
- f. (other authorised persons): If the person signing the Proxy form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place in (g) below.
- g. (lodgment place and deadline): A Proxy Form accompanies this notice. To be effective, Proxy Forms (duly completed and signed) must be received by the Company at its registered office:
 - i. at Computershare Investor Services Ltd GPO Box 242 Melbourne VIC 3001; or
 - ii. by facsimile on (within Australia) 1800 783 447 or (outside Australia) +61(3) 9473 2555 no later than 2.00pm (AEST) Tuesday 17 August 2010.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

For the purposes of this meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00pm (AEST) on Tuesday 17 August 2010.

EXPLANATORY STATEMENT

ORDINARY BUSINESS

Item 1: Chairman's address and Chief Executive Officer's Review of Operations

The Chairman will make his address and the Chief Executive Officer will present a review of the Company's operations.

Item 2: Receipt of Annual Financial Report

As required by the Corporations Act, the Financial Report, the Directors' Report, and the Auditor's Report for the year ended 31 March 2010 will be laid before the meeting. There is no requirement for a formal resolution on this item. However, the chair of the meeting will allow a reasonable opportunity for the shareholders as a whole at the meeting to ask questions about, or make comments on, those reports.

Shareholders should refer below in relation to asking questions directed to the auditor.

Item 3: Adoption of Remuneration Report (Resolution 1)

The Remuneration Report is set out, under the heading "Remuneration Report", on pages 6 to 13 of the Company's Financial Report for the year ended 31 March 2010. The Remuneration Report:

- a. provides discussion of the board's policy on remuneration of directors and senior managers and the relationship between such policy and the Company's performance; and
- b. sets out prescribed information in relation to the directors and senior managers, including their fixed remuneration and any performance related remuneration.

The chair of the meeting will allow a reasonable opportunity for the shareholders as a whole at the meeting to ask questions about, or make comments on, the Remuneration Report.

Under section 250R(3) of the Corporations Act, the vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the directors or the Company.

Your directors unanimously recommend that you vote in favour of the resolution in Item 3.

Item 4: Election of Peter Henley as a director (Resolution 2)

Peter Henley has had a long and distinguished career in financial services generally and in consumer finance in particular, having held senior management positions with AGC, Nissan Finance and most recently GE Money. Peter Henley is a non executive Director of United Financial Services Group Ltd and a non-executive director and member of the Audit and Risk Committee of AP Eagers Limited. He is a non-executive director, deputy chairman and a member of the Audit and Risk Committee of MTA Insurance Ltd and a Fellow of the Australian Institute of Management. He has also been a Director of GE Motor Solutions Australia and GE Money, Singapore.

Peter Henley was appointed as a Director on 21 May 2007.

Mr Henley is an independent non-executive Director and a member of the Audit, Risk and Compliance Committee.

Your Directors (other than Mr Henley) unanimously recommend the re-election of Mr Peter Henley.

Item 5: Election of Paul Lahiff as a director (Resolution 3)

Paul Lahiff has over 25 years experience in the financial services industry. This has included roles as Managing Director of Permanent Trustee, Heritage Building Society and Mortgage Choice, as well as senior executive roles with Westpac Banking Corporation (in Sydney and London) and the credit union sector. Most recently he was Managing Director of WDSScott, an international management consulting business. He is also a Director of the Cancer Council NSW. Paul Lahiff holds a Bachelor of Science Degree from Sydney University and is a Fellow of the Australian Institute of Management.

Paul Lahiff was appointed as a Director on 21 May 2007.

Mr Lahiff is an independent non-executive Director and a member of the Remuneration and Nomination Committee.

Your Directors (other than Mr Lahiff) unanimously recommend the re-election of Mr Paul Lahiff.

SPECIAL BUSINESS

Item 6: Directors' Fees Pool (Resolution 4)

The proposal is to increase the maximum yearly aggregate sum payable for non-executive Directors' Fees permitted under the Company's Constitution from \$400,000 pa to \$550,000 pa. The total aggregate sum payable for non-executive Directors' Fees was previously authorised at the time of the initial listing of the Company in December 2006.

Since that time there has been significant performance growth. It is not presently intended that the full amount of the increase in fees will be used immediately. The increase is sought to provide the Company with the capacity to pay additional fees to individual non-executive Directors who are called upon from time to time to undertake additional duties, for example for project work, and to provide the ability to appoint an additional non-executive Director should this be deemed appropriate.

In accordance with ASX Listing Rules, none of the Directors or their associates will be voting on this resolution.

Item 7: Performance Rights Plan (Resolution 5)

Pursuant to Item 7 shareholder approval is sought for the introduction of a new Performance Rights Plan (the "2010 Plan"), the terms and conditions of which are summarised below.

The purpose of the new 2010 Plan is to align the interests of participants in the performance rights plan with the interests of the Company's shareholders by rewarding participants for creating shareholder value.

Summary of Key Elements of the 2010 Plan

What is offered	Performance Rights.
Source of Shares	If/when vested, new shares may be issued or existing shares used, e.g. purchased on market.
Cost to employee Performance Rights/ Shares	Nil
Conditions to vesting (Board has a discretion to set and waive conditions)	Yes, performance criteria (more detail under Item 8 re Managing Director).
Dividends and voting rights	No, only available when shares delivered after vesting.
Forfeiture after vesting	Yes, if the Board so decides, eg for fraud or serious breach.
Upon a change of control	Vesting is at discretion of the Board.
Cessation of employment	Unvested Performance Rights are lost if participant resigns, unless cessation is for a qualifying reason, eg death or disablement (also depending on terms of individual invitation).
Board discretion regarding vesting	Yes.

EXPLANATORY STATEMENT

continued

The Listing Rules require disclosure of the number of securities issued under the plan since the date of last approval. Two senior executives of the Company, who are not directors, were granted 461,999 performance rights on 1 April 2010. The effect of approving the 2010 Plan will be that any equity issued under it will not be counted under Listing Rule 7.1 when assessing the ability of the Company to issue securities up to 15% of its capital in any 12 month period without Shareholder approval.

A copy of the Thorn Group Performance Rights Plan Rules is available on the Company's website www.thorn.com.au.

Board recommendation

The directors, other than John Hughes, unanimously recommend that the shareholders vote in favour of this Resolution.

Item 8: Performance Rights allocation to John Hughes (Resolution 6)

Item 8 relates to the proposed participation of the Managing Director, John Hughes, in the Company's Long Term Incentive Plan, as part of his remuneration by the Company.

Background

A new Service Agreement was entered into dated 31 March 2010 between the Company and the CEO/Managing Director, John Hughes, for a term of 3 years to expire on 31 March 2013. Shareholder approval is being sought to allocate to the CEO/Managing Director 815,291 performance rights under the 2010 Plan and the issue of fully paid ordinary shares in the Company to John Hughes on the exercise of some or all of the Performance Rights.

Under his new Service Agreement with the Company, the remuneration of the Company's CEO/Managing Director, John Hughes, consists of fixed remuneration, discretionary short-term incentive (STI) payable in cash, and long-term incentive (LTI) payable in Performance Rights (which are rights to receive shares if specific performance hurdles are met).

The Board considers that the issue of Performance Rights to John Hughes is an important component of his overall remuneration package (please see page 9 of the Annual Report). His participation is designed to provide him with an incentive to strive for high performance personally and at Company level, and to align his remuneration over an extended period with the financial interests of shareholders.

Vesting

The Performance Rights are capable of vesting at four dates, being 15 December 2010, 15 December 2011, 15 December 2012 and 15 May 2013 (each a Test Date) with a Reference Date for grant of 1 April 2010.

The grant of Performance Rights is divided into three equal tranches (each a Tranche). One Tranche will be eligible for vesting on each of the first three Test Dates. The percentage of vesting applicable to each tranche at each Test Date is shown in the table below:

At Test Date	TSR less than 50%	Performance rights vested = Nil
	TSR 50% or more	The number of Performance Rights that will vest increases on a straight line basis
	TSR 90% or more	Performance rights vest = 100%

Performance rights that do not vest at the Test Date applicable to that Tranche will be carried forward and eligible for retesting. Once vested, shares may be issued or purchased on market.

Performance Hurdles

A total shareholder return has been determined as appropriate and in keeping with prevailing best practice. Accordingly, vesting of the Performance Rights is subject to the TSR Ranking of the Company versus 20 comparable companies over the relevant performance period. TSR is the return to shareholders provided by share price appreciation over the period of measurement plus dividends. TSR reflects the increase in value delivered to shareholders over the performance period.

Lapse of Performance Rights/Board discretion

If John Hughes resigns from the Company before 31 March 2013, all Performance Rights that have not vested on the date on which he ceases to be an employee of the Company will lapse unless extended by the Board. But, under the rules of the 2010 Plan, performance rights may be retained for a certain period in the event of death, total and permanent disability, and, if after 31 March 2012, also in the event of redundancy and termination (other than termination by the Company for misconduct or breach of employment contract). The number of Performance Rights which may be exercised in such a case will be reduced pro rata so that the number of Performance Rights reflects the proportion of the Performance Rights for which he remained employed. The Board has discretion to determine that Performance Rights will vest and may be exercised, whether or not the performance hurdles have been satisfied such as on a change of control.

Additional Information

The following additional information is provided in accordance with ASX Listing Rules and in connection with the approval sought under Item 8 in this Notice of Annual General Meeting.

- a. Maximum number of securities:
The maximum number of securities to be allocated as performance rights is 815,291. This is calculated on the Volume Weighted Average Price of the shares of the Company over the 5 trading days prior to the reference date for grant of 1 April 2010, being \$1.1039 per share based on a total value of \$900,000.
- b. Price of securities:
The exercise price per performance right is nil if the rights are exercised by the individual. Should the performance rights be exercised by the individual's superannuation fund, 1% of the value of the Performance Rights is payable.
- c. Capital reconstruction and new issues:
The Plan Rules provide for adjustments as applicable in the event of capital reconstruction or new issues.
- d. Persons who received securities under incentive plans since the last approval:
Details of allocations of performance rights since listing in December 2006 have been provided in the Annual Reports for the years 2007 to 2010 inclusive.
- e. Eligible participants:
John Hughes is the only Executive Director of the Company and is the only director eligible to participate in the 2010 Plan.
- f. No loans given to acquire securities:
No loan has been or will be given to John Hughes relating to allocation of performance rights under the 2010 Plan.
- g. Issue of Shares:
The Company will issue the shares upon exercise of the Performance Rights no later than 18 August 2013.
- h. Additional statements:
Details of any securities issued to directors under the incentive plans will be published in each annual report relating to a period in which securities have been issued, including a statement that approval for the issue of securities was obtained, if required, under ASX Listing Rule 10.14.

Any additional directors who become entitled to participate in the incentive plans after this resolution is approved will not participate until approval is obtained, if required, under ASX Listing Rule 10.14.

EXPLANATORY STATEMENT

continued

Termination Benefits

John Hughes' employment may be terminated by the Company by giving 6 months notice. If John Hughes' employment is terminated by the Company (other than for misconduct or breach):

- a. John Hughes may be entitled to a payment in respect of an short term incentive for the period to the termination date, calculated as a proportional amount having regard to the period of time John Hughes works in the relevant financial year and as determined by the Board; and
- b. Performance Rights will remain exercisable within a certain period after the next test date (as explained above).

In addition, the Company may elect to make to John Hughes a payment in lieu of notice and the Board may determine that John Hughes' Performance Rights will become vested rights in its absolute discretion.

These termination payments may constitute the giving of a benefit to John Hughes by the Company in connection with him ceasing to hold a board or managerial office (within the meaning of section 200B of the Corporations Act).

Board recommendation

The directors, other than John Hughes, unanimously recommend that the shareholders vote in favour of this Resolution.

Questions and comments on management of the Company and items of ordinary and special business

The chair of the meeting will allow a reasonable opportunity for the shareholders as a whole at the meeting to ask questions about, or make comments on, the management of the Company and the items of ordinary and special business set out in the Notice of Meeting.

In addition, shareholders may submit written questions to the Company no later than the fifth business day before the day on which the meeting is held.

Questions to the auditor

Any shareholder may submit to the Company a written question directed to the Company's auditor KPMG if the question is relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual Financial Report to be considered at the meeting.

Any relevant written question must be received by the Company no later than the fifth business day before the day on which the meeting is held.

The chair of the meeting will allow a reasonable opportunity for the shareholders as a whole at the meeting to ask the auditor or the auditor's representatives questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.