

ASX ANNOUNCEMENT**21 September 2023**

Thorn enters into Scheme Implementation Deed with Somers Limited

Thorn Group Limited (ASX:TGA) (**Thorn**) is pleased to announce that it has entered into a Scheme Implementation Deed (**SID**) with Somers Limited (**Somers**). This follows the announcement on 28 August 2023 regarding the revised proposal from Somers, under which it is proposed that Somers will acquire all of the ordinary shares in Thorn that it does not already own at a price of \$1.17¹ per share in cash, less any dividend or capital return announced or declared and with a record date between the date of this announcement and the implementation date of the Scheme (**Scheme Consideration**)².

Thorn has attached as Annexure A to this announcement a copy of the executed SID.

Overview of the Scheme

Under the terms of the Scheme, Thorn shareholders will be entitled to receive the Scheme Consideration subject to all applicable conditions being satisfied (or waived) and the Scheme being implemented.

Following the declaration of the fully franked special dividend of \$0.19 per Thorn share on 31 August 2023 and the capital return of \$0.26 per Thorn share announced on 4 August 2023, each which had a record date of 6 September 2023, the Scheme Consideration is reduced from \$1.62 as announced on 28 August 2023 to \$1.17 per Thorn share. The Scheme Consideration of \$1.17 per Thorn share will be further reduced to the extent any dividend or capital return is announced or declared after the date of the SID and has a record date between the date of the SID and the implementation date of the Scheme.

Thorn Independent Director recommends the Scheme

As announced on 25 August 2023, Thorn formed an Independent Committee (**IC**) to consider the Scheme, comprised of Mr Paul Oneile (independent non-executive director) (**Independent Director**), Mr Pete Lirantzis (Chief Executive Officer) and Ms Alexandra Rose (General Counsel and Company Secretary).

¹ The record date for both the capital return and special dividend that related to the sale of Thorn's Asset Finance Portfolio to Resimac Limited was 6 September 2023 which was after the date of Somers' offer, with the consequence that the Scheme Consideration of \$1.62 as announced by Somers on 28 August 2023 is now reduced to **\$1.17 per share**. The payment date for the capital return was 13 September 2023 and the payment date for the special dividend is 22 September 2023.

² Thorn notes that only Shareholders on the Thorn Register on 6 September 2023 were eligible to receive payment of a capital return of \$0.26 per share on 13 September 2023 and a fully franked special dividend of \$0.19 per share on 22 September 2023.

The Independent Director recommends that Thorn shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and in the best interests of Thorn shareholders. Subject to these same qualifications, the Independent Director, intends to vote all of the Thorn shares held or controlled by him in favour of the Scheme.

Scheme Implementation Deed

The offer will be made pursuant to a Scheme with further details to be included in the Explanatory Booklet and notice of meeting that will be sent to Thorn shareholders to convene a meeting at which Thorn shareholders will be asked to consider the proposal. Thorn shareholders will have the opportunity to vote on the Scheme at a Scheme Meeting which is expected to be held in late November 2023. The Scheme remains subject to other terms and conditions including Court approval, the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Thorn shareholders and shareholder approval of a loan to be provided from Thorn to Somers to pay the Scheme Consideration to shareholders.

The SID does not contain any exclusivity provisions or break fees that would be payable if the Scheme was to not proceed.

Indicative timetable and next steps

Thorn shareholders do not need to take any action at this stage.

An Explanatory Booklet containing information relating to the Scheme, the reasons for the Independent Director's recommendation, the Independent Expert's Report opining on whether the Scheme is fair and reasonable and in the best interests of Thorn shareholders and details of the Scheme Meeting and General Meeting is expected to be sent to Thorn shareholders in late October 2023.

Thorn shareholders will then have the opportunity to vote on the Scheme at the Scheme Meeting, expected to be held in late November 2023 and, if approved, the Scheme would be implemented shortly thereafter. These dates are indicative only and subject to change.

Advisers

Thorn has appointed Leadenhall as financial adviser and MinterEllison as legal adviser. Thorn has appointed Grant Thornton to evaluate whether the Scheme is in the best interests of Thorn shareholders and to prepare an Independent Expert's Report.

Attachments

Please see Annexure A over the page.

This release has been authorised by the Company Secretary.

End of Release.

For further information, please contact:

Pete Lirantzis

Chief Executive Officer

0411 012 035

Investor.Relations@thorn.com.au

Alexandra Rose

General Counsel & Company Secretary

+61 (02) 9174 6442

Company.Secretary@thorn.com.au

ABOUT THORN GROUP LIMITED (ASX: TGA, www.thorn.com.au)

Thorn is a diversified financial services company providing funding solutions for small to medium businesses. Thornmoney is a provider of working capital and business asset lending solutions, working in partnership with Australian brokers and accountants. Thorn has been listed on ASX since 2006.

Thorn Group Limited

PO BOX R1780 ROYAL EXCHANGE NSW 1225

ABN 54 072 507 147

T: 1300 244 032

E: investor.relations@thorn.com.au

W: thorn.com.au

Annexure A

Scheme Implementation Deed

—

Thorn Group Limited (**Thorn**)

Somers Limited (**Somers**)

—

Scheme Implementation Deed

Details	4
Agreed terms	5
1. Defined terms & interpretation	5
1.1 Defined terms	5
1.2 Interpretation	12
1.3 Headings	13
1.4 Business Day	13
1.5 Consents or approvals	13
1.6 Listing requirements included as law	13
1.7 Reasonable endeavours	13
2. Agreement to propose Scheme	14
3. Conditions precedent and pre-implementation steps	14
3.1 Conditions to Scheme	14
3.2 Benefit and waiver of conditions precedent	15
3.3 Reasonable endeavours	15
3.4 Notifications	16
3.5 Certificate	16
3.6 Scheme voted down	17
3.7 Conditions not capable of being fulfilled	17
3.8 Interpretation	18
4. Transaction Steps	18
4.1 Scheme	18
4.2 Scheme Consideration	18
4.3 Deed Poll	18
4.4 Loan Agreement	18
4.5 Dividend or capital return	18
5. Recommendation, intentions and announcements	19
5.1 Independent Director Recommendation and Voting Intention	19
5.2 Exclusion from Recommendation	19
5.3 Confirmation	20
6. Scheme – parties' respective implementation obligations	20
6.1 Thorn's obligations	20
6.2 Somers' obligations	23
6.3 Explanatory Booklet – preparation principles	24
6.4 Conduct of Court proceedings	25
7. Conduct of business before the Implementation Date	26
7.1 Conduct of the Thorn business	26
7.2 Permitted activities	28
7.3 Access	28
8. Actions on and following Implementation Date	29
8.1 Reconstitution of the board of each member of Thorn Group	29
8.2 Sequence of actions on the Implementation Date	30
9. Representations and warranties	30
9.1 Somers' representations	30

9.2	Somers' indemnity	31
9.3	Thorn representations	31
9.4	Thorn's indemnity	35
9.5	Qualifications on Thorn's representations, warranties and indemnities	35
9.6	Notifications	35
9.7	Survival of representations	35
9.8	Survival of indemnities	35
10.	Releases	36
10.1	Thorn Parties	36
10.2	Somers Parties	36
10.3	Deeds of indemnity	36
11.	Confidentiality and announcements	37
11.1	Confidentiality	37
11.2	Announcements	37
11.3	Statements on termination	37
12.	Termination	37
12.1	Termination by notice	37
12.2	Automatic termination	39
12.3	Effect of termination	39
12.4	Disclosure on termination of deed	39
13.	Withholding tax	39
14.	Notices	40
15.	General	41
15.1	Further acts	41
15.2	Timetable	41
15.3	Payments	41
15.4	GST	41
15.5	Stamp duty	42
15.6	Expenses	42
15.7	Amendments	42
15.8	Assignment	42
15.9	Business Day	42
15.10	Waiver	42
15.11	Counterparts	42
15.12	Electronic execution	42
15.13	Electronic exchange of documents	42
15.14	Entire agreement	43
15.15	No representation or reliance	43
15.16	No merger	43
15.17	Governing law	43
Schedule 1 – Indicative Timetable		44
Schedule 2 – Deed Poll		45
Schedule 3 – Scheme		46
Schedule 4 – Loan Agreement		47
Signing page		48

Details

Date 21 September 2023

Parties

Name Thorn Group Limited
ACN 072 507 147
Short form name **Thorn**
Notice details Address: Level 9, 1 York Street, Sydney NSW, Australia
Attention: Alexandra Rose, General Counsel & Company Secretary
Email: company.secretary@thorn.com.au

Name Somers Limited
Short form name **Somers**
Notice details 34 Bermudiana Road, Hamilton HM11, Bermuda
Attention: Alasdair Younie
Email: ay@icm.bm

Background

- A Thorn and Somers have agreed that Somers will acquire all of the Shares (other than Shares held by the Excluded Shareholders) by way of a scheme of arrangement between Thorn and Scheme Shareholders under Part 5.1 of the Corporations Act.
- B Thorn intends to propose the Scheme and issue the Explanatory Booklet.
- C Thorn and Somers have agreed to implement the Scheme and to undertake certain other matters in connection with the Proposed Transaction as set out in this deed.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this deed, unless the context otherwise requires, the following words and expressions have meanings as follows:

Acceptable Confidentiality Agreement means a confidentiality agreement which contains confidentiality obligations on the recipient of confidential information which are no less onerous in any material respect than the obligations of Somers under the Confidentiality Agreement.

Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and
- (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a);

Adviser means in relation to an entity:

- (a) a financier to the entity in connection with the Proposed Transaction; or
- (b) a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Proposed Transaction by the entity.

Announcement means an announcement by Thorn in relation to the Proposed Transaction, in the form agreed by Thorn and Somers (both acting reasonably), prior to signing of this deed.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this deed and Thorn was the designated body.

ASX means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market known as the Australian Securities Exchange operated by it.

Authorised Person means, in respect of a person:

- (a) a director, officer or senior executive of the person (or, in the case of Thorn, a member of the Thorn Group, or, in the case of Somers, a member of the Somers Group);
- (b) an Adviser of the person; and
- (c) a director, officer or employee of an Adviser of the person.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in New South Wales, Australia.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means any expression of interest, proposal, offer, agreement, arrangement or transaction whether existing before, on or after the date of this deed, which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any Associate):

- (a) directly or indirectly acquiring or having the right to acquire:
 - (i) a Relevant Interest in;
 - (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or

- (iii) control of, 20% or more of the Shares on issue;
- (b) directly or indirectly acquiring control (as determined in accordance with section 50AA of the Corporations Act, but disregarding sub-section 50AA(4)) of or merging with Thorn or any other Thorn Group Member;
- (c) directly or indirectly acquiring or becoming the holder of, or having a right to acquire a legal, beneficial or economic interest in, or control of, all or a substantial part of the business or assets or property of Thorn or of another Thorn Group Member;
- (d) otherwise directly or indirectly acquiring, being stapled to, or merging with Thorn; or
- (e) requiring Thorn to abandon, or to otherwise not proceed with the Proposed Transaction or requiring the Independent Director not to recommend the Proposed Transaction,

whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other proposal, offer, transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any expression of interest, proposal, offer, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

For the avoidance of doubt, each successive material modification or variation of any expression of interest, proposal, offer, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidentiality Agreement means the confidentiality agreement between Thorn and Somers dated 21 August 2023.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (Sydney Registry) or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Deed Poll means the deed poll to be executed by Somers in favour of the Scheme Shareholders prior to the First Court Date, in the form set out in Schedule 2 or in such other form as is acceptable to Thorn acting reasonably, provided that where Somers nominates a Somers Nominee in accordance with clause 2(e), the Deed Poll must also be executed by the Somers Nominee.

defaulting party has the meaning given to that term in clause 12.1(a)(i)(A)(I).

Delivery Time means, in relation to the Second Court Date, 2 hours before the commencement of the hearing or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.

Due Diligence Material means the information disclosed by or on behalf of Thorn and its Subsidiaries (including management presentations and all written responses provided in response to written questions or requests for information) to Somers or any of its Authorised Persons prior to the date of this deed as agreed in writing by Thorn and Somers.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means:

- (a) the date that is 6 months after the date of this deed; or
- (b) such other date and time agreed in writing between Somers and Thorn.

Excluded Shareholder means any Thorn Shareholder who is a member of the Somers Group or any Thorn Shareholder who holds Shares on behalf of, or for the benefit of, any member of the Somers Group and does not hold Shares on behalf of, or for the benefit of, any other person.

Explanatory Booklet means the explanatory booklet to be prepared by Thorn in respect of the Proposed Transaction in accordance with the terms of this deed and to be dispatched to Thorn Shareholders.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:

- (a) borrowing from any bank or other financial institution;
- (b) bill, bond, debenture, note or similar instrument;
- (c) acceptance, endorsement or discounting arrangement;
- (d) guarantee;
- (e) finance or capital lease;
- (f) swap, hedge arrangement, option, futures contract, derivative or analogous transaction;
- (g) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or business;
- (h) agreement for the deferral of a purchase price or other payment in relation to the provision of services other than in the ordinary course of business of the Thorn Group; or
- (i) obligation to deliver goods or provide services paid for in advance by any financier.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, the Australian Taxation Office, ASX, the Takeovers Panel, the Australian Foreign Investment Review Board and any regulatory organisation established under statute or any stock exchange.

GST Exclusive Consideration has the meaning given to that term in clause 15.4(c).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Scheme Shareholders present and voting, either in person or by proxy.

Implementation Date means the date that is five Business Days after the Record Date, or such other date as Thorn and Somers may agree in writing.

Independent Director means Paul Oneile, being the independent director of Thorn.

Independent Expert means an independent expert to be engaged by Thorn to express an opinion on whether the Scheme is in the best interests of the Scheme Shareholders in the Independent Expert's Report.

Independent Expert's Report means the report from the Independent Expert commissioned by Thorn for inclusion in the Explanatory Booklet, and any update to such report that the Independent Expert issues prior to the Scheme Meeting.

Insolvency Event means in relation to a person:

- (a) **insolvency official**: the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **arrangements**: the entry by the person into a compromise or arrangement with its creditors generally;
- (c) **winding up**: the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **suspends payments**: the person suspends or threatens to suspend payment of its debts as and when they become due;
- (e) **ceasing business**: the person ceases or threatens to cease to carry on business;
- (f) **insolvency**: the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **deregistration**: the person being deregistered as a company or otherwise dissolved;
- (h) **deed of company arrangement**: the person executing a deed of company arrangement;
- (i) **person as trustee or partner**: the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
 - (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability;
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (j) **analogous events**: anything analogous to those set out in any of paragraphs (a) to (i) inclusive occurs in relation to the person under the laws of a foreign jurisdiction,

and a person shall be **Insolvent** if any event specified in paragraphs (a) to (j) inclusive occurs in respect of that person.

Key Person means any officer, director, executive or other employee of the Thorn Group, whose total employment cost exceeds \$120,000.

Listing Rules means the official listing rules of ASX as amended from time to time.

Loan means an unsecured loan advanced by Thorn to Somers of an amount equal to the aggregate amount of the Scheme Consideration for all Scheme Shares, to be funded from Thorn's existing cash resources in order to fund the Scheme Consideration.

Loan Agreement means a loan agreement to be executed by Somers and Thorn prior to the First Court Date, substantially in the form set out in Schedule 4 or in such other form as is agreed by Somers and Thorn in writing.

Proposed Transaction means:

- (a) the proposed acquisition by Somers in accordance with the terms and conditions of this deed, of all of the Scheme Shares through the implementation of the Scheme; and
- (b) all associated transactions and steps contemplated by this deed.

Receiving Party has the meaning given to that term in clause 15.3.

Recipient has the meaning given to that term in clause 15.4(c).

Record Date means 7.00pm on the date that is 2 Business Days after the Effective Date, or such other date as may be agreed in writing between Somers and Thorn or required by ASX.

Recommendation has the meaning given to that term in clause 5.1(a)(i).

Register means the register of members of Thorn maintained in accordance with the Corporations Act.

Related Body Corporate of a person means a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

Relevant Interest has the meaning given in the Corporations Act.

RG 60 means Regulatory Guide 60 issued by ASIC on 22 September 2011, as amended from time to time.

RG 112 means Regulatory Guide 112 issued by ASIC on 30 March 2011, as amended from time to time.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Thorn and the Scheme Shareholders in respect of all of the Scheme Shares, substantially in the form set out in Schedule 3 or in such other form as the parties agree in writing, subject to any alterations or conditions that are:

- (a) agreed to in writing by Thorn and Somers, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by each party.

Scheme Consideration means the consideration to be provided to each Scheme Shareholder under the terms of the Scheme for the transfer to Somers of each Scheme Share, being an amount of \$1.17 per Scheme Share, as adjusted in accordance with clause 4.5.

Scheme Consideration Resolutions means the resolutions of Thorn Shareholders to approve the transaction under the Loan Agreement for the purposes of Chapter 2E and sections 260A(1)(b) and 260B of the Corporations Act.

Scheme Meeting means the meeting of Thorn Shareholders (other than Excluded Shareholders) to be ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Share means a Share held by a Scheme Shareholder on issue as at the Record Date.

Scheme Shareholder means a holder of Shares recorded in the Register as at the Record Date (other than an Excluded Shareholder).

Scheme Shareholder Declaration has the meaning given to that term in clause 13(b)(iii).

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.

Share means an issued fully paid ordinary share in the capital of Thorn.

Share Splitting means the splitting by a holder of Shares into two or more parcels of Shares whether or not it results in any change in beneficial ownership of the Shares.

Somers Board means the directors of Somers.

Somers Group means Somers and each of its Related Bodies Corporate (excluding, at any time, Thorn and its Subsidiaries to the extent that Thorn and its Subsidiaries are Subsidiaries of Somers at that time). A reference to a member of the **Somers Group** or a **Somers Group Member** is a reference to Somers or any such Subsidiary.

Somers Information means such information regarding Somers that is provided by or on behalf of Somers, or any of their Advisers, to Thorn or the Independent Expert for inclusion in the Explanatory Booklet in accordance with this deed.

Somers Nominee has the meaning given to that term in clause 2(e).

Somers Parties means each member of the Somers Group and its Related Bodies Corporate and the persons in paragraph (a) of the definition of Authorised Person as at the date of this deed.

Somers Warranties means the representations and warranties of Somers set out in clause 9.1.

Subdivision 14-D has the meaning given to that term in clause 13(a).

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which in the determination of the Thorn Board acting in good faith in order to satisfy what the Thorn Board considers to be its fiduciary or statutory duties (after having received written advice from their reputable external Australian legal advisers specialising in the area of corporate law and financial advisers):

- (a) is reasonably likely to be completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including timing consideration, conditions precedent and the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to Thorn Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the Competing Proposal, including consideration, conditionality, funding, certainty and timing.

Supplier has the meaning given to that term in clause 15.4(c).

Supporting Resolutions means the following resolutions:

- (a) the Scheme Consideration Resolutions; and
- (b) such other Thorn Shareholder resolutions that may be necessary or desirable to implement the Proposed Transaction, as agreed by Thorn and Somers,

to be considered and voted on at Thorn General Meeting.

Tax means a tax, levy, charge, impost, fee, or withholding of any nature, including, without limitation, any goods and services tax, value added tax or consumption tax, payroll tax, fringe benefits tax, superannuation guarantee charge, pas you go withholding which is assessed, levied, imposed or collected by a Governmental Agency, except where the context requires otherwise. This includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts, but excludes Duty.

Third Party means a person other than Somers, any other Somers Group Member and their respective Associates.

Thorn Board means the board of directors of Thorn (or any committee of the board of directors of Thorn constituted to consider the Proposed Transaction on behalf of Thorn).

Thorn Director means a director of Thorn.

Thorn Financial Statements means:

- (a) the reviewed consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of Thorn for the half year ended 30 September 2023; and
- (b) the audited consolidated statement of financial position, the audited consolidated statement of profit or loss and other comprehensive income, the audited consolidated statement of changes in equity and the audited consolidated statement of cash flows of Thorn for the year ended 31 March 2023,

together with the accompanying notes.

Thorn General Meeting means the general meeting of Thorn Shareholders for the purpose of considering the Supporting Resolutions.

Thorn Group means Thorn and its Subsidiaries. A reference to a member of the **Thorn Group** or a **Thorn Group Member** is a reference to Thorn or any such Related Body Corporate.

Thorn Information means information to be included by Thorn in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the *Corporations Regulations 2001* (Cth), and any other information that is material to the making of a decision by Thorn Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of the Thorn Board and has not previously been disclosed to Thorn Shareholders, other than the Somers Information and the Independent Expert's Report.

Thorn Parties means each member of the Thorn Group and its Related Bodies Corporate and the persons in paragraph (a) of the definition of Authorised Persons.

Thorn Prescribed Occurrence means the occurrence of any of the following on or after the date of this deed:

- (a) Thorn converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) any member of the Thorn Group resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) any member of the Thorn Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the Thorn Group issues securities, or grants a performance right, or an option over its securities, or agrees to make such an issue or grant such a right or an option, including pursuant to a dividend reinvestment or other share plan, other than under the valid exercise of an option or performance right on issue or in existence immediately before the date of this deed or the issue of any securities that have been approved by Thorn Shareholders prior to the date of this deed;
- (e) any member of the Thorn Group issues, or agrees to issue, convertible notes;
- (f) any member of the Thorn Group disposes, or agrees to dispose, of the whole, or any part, of its business, assets or property existing as at the date of this deed;
- (g) any member of the Thorn Group creates or agrees to create, any security interest over the whole, or a substantial part, of its business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (h) an Insolvency Event occurs in relation to any member of the Thorn Group;
- (i) Thorn pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution;
- (j) any member of the Thorn Group makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the Thorn Group;
- (k) any member of the Thorn Group ceases, or threatens to cease to, carry on the business conducted as at the date of this deed;
- (l) any member of the Thorn Group waives, releases or assigns any material rights, claims or benefits of Thorn or any members of the Thorn Group;
- (m) a Governmental Agency issues a temporary or permanent cease trading order prohibiting the trading in any class of securities of Thorn that has not been lifted or remedied by Delivery Time on the Second Court Date;

- (n) any member of the Thorn Group (other than a dormant, non-operating member of the Thorn Group) being deregistered as a company or being otherwise dissolved;
- (o) any disposal of shares or securities by a member of the Thorn Group in any member of the Thorn Group other than to a member of the Thorn Group; or
- (p) any member of the Thorn Group directly or indirectly authorises, commits or agrees to take or announces any of the actions referred to in paragraphs (a) to (o) above insofar as it applies to the member of the Thorn Group the subject of such direct or indirect authorisation, commitment, agreement or announcement,

provided that a Thorn Prescribed Occurrence will not include any matter:

- (q) in connection with any capital reduction or dividend payable by Thorn, as contemplated in clause 4.5;
- (r) required to be done or procured by the Thorn Group under this deed or the Scheme;
- (s) required by law, regulation or by an order of a court or Governmental Agency;
- (t) to the extent it is Fairly Disclosed in filings of Thorn with the ASX in the 12 months prior to the date of this deed; or
- (t) the undertaking of which Somers has previously approved in writing.

Thorn Shareholder means each person who is registered in the Register maintained by Thorn under section 168(1) of the Corporations Act as a holder of Shares.

Thorn Warranties means the representations and warranties of Thorn set out in clause 9.3.

Timetable means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

Transaction Document means any of:

- (a) this deed;
- (b) the Scheme;
- (c) the Deed Poll; and
- (d) the Loan Agreement.

Voting Intention has the meaning given to that term in clause 5.1(a)(ii).

Voting Power has the meaning given in the Corporations Act.

1.2 Interpretation

In this deed, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) gender includes other genders;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (f) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (g) a reference to time is to Sydney, Australia time;
- (h) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

- (j) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (k) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (l) a reference to conduct includes an omission, statement or undertaking, whether or not in writing;
- (m) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it;
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed, or the event must occur on or by the next Business Day; and
- (p) a reference to **Fairly Disclosed** means disclosed to any of Somers, Thorn (as applicable) or any of their respective Authorised Persons to a sufficient extent and in sufficient detail so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Proposed Transaction and experienced in transactions similar to the Proposed Transaction in the financial industry, to identify the nature and scope of the relevant matter, event or circumstance.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given, or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless provided otherwise.

1.6 Listing requirements included as law

A listing rule or operating rule of a financial market or of a clearing and settlement facility will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.7 Reasonable endeavours

Any provision of this deed which requires a party to use reasonable endeavours or best endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Governmental Agency; or
 - (b) to commence any legal action or proceeding against any person,
- except where that provision specifies otherwise.

2. Agreement to propose Scheme

- (a) Thorn agrees to propose and implement the Scheme on and subject to the terms and conditions of this deed, and to take reasonable actions within its control to implement the Scheme substantially in accordance with the Timetable.
- (b) Somers agrees to assist Thorn in proposing and implementing the Scheme on and subject to the terms and conditions of this deed, and to take reasonable actions within its control to implement the Scheme substantially in accordance with the Timetable.
- (c) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.
- (d) To the extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside of a party's control, the parties will consult in good faith to agree any necessary extension to ensure such matters are completed within the shortest possible timeframe.
- (e) Somers may nominate any Subsidiary of Somers (**Somers Nominee**) to acquire the Scheme Shares by giving written notice to Thorn on or before the date that is five Business Days before the First Court Date.
- (f) If Somers nominates the Somers Nominee to acquire the Scheme Shares under the Scheme, then:
 - (i) references in this deed to Somers acquiring the Scheme Shares under the Scheme are to be read as references to the Somers Nominee doing so;
 - (ii) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Somers Nominee, rather than Somers;
 - (iii) Somers must procure that the Somers Nominee also executes and delivers to Thorn the Deed Poll; and
 - (iv) any such nomination will not relieve Somers of its obligations under this deed, including the obligation to provide the Scheme Consideration in accordance with the terms of the Scheme.

3. Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties on and from the Effective Date in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) (**Restraints**) no law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgement, order or decree issued by any court of competent jurisdiction or Governmental Agency in Australia or other legal restraint or prohibition preventing, prohibiting or materially restricting the implementation of the Scheme is in effect as at the Delivery Time on the Second Court Date;
- (b) (**Shareholder approval**) the Scheme is approved by Thorn Shareholders (other than Excluded Shareholders) at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (c) (**Independent Expert**) the Independent Expert concluding in the Independent Expert's Report that in its opinion the Scheme is in the best interest of Thorn Shareholders before the time when the Explanatory Booklet is registered by ASIC and the Independent Expert maintaining that opinion (including by not withdrawing, qualifying or changing that opinion) at all times up to the Second Court Date;

- (d) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally and without modifications or with modifications or conditions that do not impose unduly onerous obligations upon either party (acting reasonably);
- (e) **(Scheme Consideration Resolutions)** the Scheme Consideration Resolutions are approved by Thorn Shareholders (other than Excluded Shareholders) at the Thorn General Meeting by the requisite majorities;
- (f) **(No Thorn Prescribed Occurrence)** no Thorn Prescribed Occurrence occurs between (and including) the date of this deed and the Delivery Time on the Second Court Date;
- (g) **(Representations and warranties)** the representations and warranties provided by Thorn have not been breached in any material respect between the date of this deed and the Delivery Time on the Second Court Date, except where expressed to be operative at another time; and
- (h) **(Scheme Orders lodged with ASIC):** an office copy of the Court order approving the Scheme under section 411(1) of the Corporations Act is lodged with ASIC.

3.2 Benefit and waiver of conditions precedent

- (a) The Condition in clauses 3.1(a) (Restraints) and 3.1(e) (Scheme Consideration Resolutions) are for the benefit of each party and any breach or non-fulfilment of it may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion.
- (b) The Conditions in clauses 3.1(f) (No Thorn Prescribed Occurrences) and 3.1(g) (Representations and warranties) are for the sole benefit of Somers and any breach or non-fulfilment of them may only be waived by Somers giving its written consent.
- (c) The Condition in clause 3.1(c) (Independent Expert) is for the sole benefit of Thorn and any breach or non-fulfilment of them may only be waived by Thorn giving its written consent.
- (d) A party entitled to waive a Condition under this clause 3.2 may do so in its absolute discretion. Any waiver of a Condition by a party for whose benefit the condition applies must take place on or prior to the Delivery Time on the Second Court Date.
- (e) The Conditions in clauses 3.1(b), (Shareholder approval), 3.1(d) (Court approval) and 3.1(h) (Scheme Orders lodged with ASIC) cannot be waived.
- (f) If a party waives the breach or non-fulfilment of any of the Conditions in clause 3.1, that waiver precludes the party from suing the other party for any breach of this deed that resulted in the breach or non-fulfilment of the Condition. However, if the waiver of all or any portion of a Condition is itself conditional and the other party:
 - (i) accepts the condition, the terms of that condition apply notwithstanding any inconsistency the waiver of the breach or non-fulfilment of a Condition; or
 - (ii) does not accept the condition, the relevant Condition or a portion therefore has not been waived.

3.3 Reasonable endeavours

- (a) Thorn and Somers will use their respective reasonable endeavours to procure that:
 - (i) each of the Conditions (as applicable) is satisfied as soon as reasonably practicable after the date of this deed or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require); and
 - (ii) it does not take, or omit to take, any action that prevents, or would be reasonably likely to prevent, the satisfaction or any Condition (except to the extent such action is required to be taken or procured pursuant to, or is otherwise permitted by, this deed or the Scheme, or is required by law).

- (b) In respect of the Condition in clause 3.1(a) (Restraints):
 - (i) Thorn and Somers must each use their best endeavours to challenge or otherwise seek to release or overturn the applicable law, rule, regulation, restraining order, injunction or final decision, order or decree prior to the Delivery Time; and
 - (ii) if any restraining order contemplated in the Condition in clause 3.1(a) (Restraints) is in effect at 5.00pm on the Business Day prior to the Second Court Date, Thorn and Somers must consult with each other (each acting reasonably and in good faith) to consider delaying the Second Court Date and, if applicable, extend the End Date in order to facilitate the satisfaction of the Condition in clause 3.1(a) (Restraints).
- (c) In respect of the Condition in clause 3.1(g) (Representation and warranties), if:
 - (i) a claim for a breach of a representation of warranty is made between the date of this agreement and the Delivery Time, the Condition Precedent in clause 3.1(g) (Representation and warranties) will not be taken to have been breached or not satisfied,
 - unless:
 - (ii) Somers has given written notice to Thorn in accordance with clause 3.4, and such notice also sets out the relevant circumstances of the breach;
 - (iii) Thorn has failed to remedy the breach within 20 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which such notice is given; and
 - (iv) in respect of the representations and warranties in clauses 9.3(b)(xv) and 9.3(b)(xvi), the conditions in clause 9.5(b) are satisfied.

3.4 Notifications

Each of Somers and Thorn must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is or has become unsatisfied or incapable of being satisfied (having regard to the respective obligations of each party under clause 3.3).

3.5 Certificate

- (a) On or before the Second Court Date, Thorn will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a) (Restraints), 3.1(b) (Shareholder approval), 3.1(c) (Independent Expert), 3.1(e) (Scheme Consideration Resolutions), 3.1(f) (No Thorn Prescribed Occurrences), and 3.1(g) (Representations and warranties) have been satisfied or waived in accordance with the terms of this deed.
- (b) Thorn will provide a certificate to Somers by the Delivery Time on the Second Court Date confirming whether or not Thorn has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breach, a draft of which certificate must be provided to Somers by 5:00pm on the day that is two Business Days prior to the Second Court Date.
- (c) Somers will provide a certificate to Thorn by the Delivery Time on the Second Court Date confirming whether or not Somers has breached any of its obligations under this deed (including a breach of a representation or warranty), and if it has, giving details of such breach, a draft of which certificate must be provided to Thorn by 5:00pm on the day that is two Business Days prior to the Second Court Date.

3.6 Scheme voted down

If the Scheme is not approved by Thorn Shareholders (other than Excluded Shareholders) at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Somers considers acting reasonably that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then Thorn must:

- (a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as Counsel engaged by Thorn to represent it in Court proceedings related to the Scheme, in consultation with Somers, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

3.7 Conditions not capable of being fulfilled

- (a) If:
 - (i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this deed for its satisfaction (or an event occurs which would or is likely to prevent a condition precedent being satisfied by the date specified in this deed);
 - (ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled; or
 - (iii) it becomes more likely than not that the Scheme does not become Effective by the End Date,

then Thorn and Somers must consult in good faith with a view to determining whether:

- (iv) the Proposed Transaction may proceed by way of alternative means or methods;
 - (v) to extend the relevant time or date for satisfaction of the Condition;
 - (vi) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (vii) to extend the End Date.
- (b) Subject to clause 3.7(c), if a Condition becomes incapable of being satisfied before the End Date and Thorn and Somers are unable to reach agreement under clause 3.7(a) within 5 Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by the Delivery Time on the Second Court Date), then unless the relevant Condition (where capable of waiver) is waived:
 - (i) In relation to the Conditions in clauses 3.1(a) (Restraints), 3.1(b) (Shareholder approval) and 3.1(e) (Scheme Consideration Resolutions), either Somers or Thorn may terminate this deed by giving the other notice without any liability to any party by reason of that termination alone;
 - (ii) In relation to the Conditions in clauses 3.1(f) (No Thorn Prescribed Occurrences) and 3.1(g) (Representations and warranties), Somers may terminate this deed by giving Thorn notice without any liability to any party by reason of that termination alone; and
 - (iii) In relation to the Condition in clause 3.1(c) (Independent Expert), Thorn may terminate this deed by giving Somers notice without any liability to any other party by reason of that termination alone.

- (c) A party will not be entitled to terminate this deed under clause 3.7(b) if the relevant Condition has not been satisfied as a result of:
 - (i) a breach of this deed by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.

3.8 Interpretation

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being fulfilled if there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this deed).

4. Transaction Steps

4.1 Scheme

- (a) Thorn must, as soon as reasonably practicable after the date of this deed and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to Somers and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Record Date, the Scheme Consideration.
- (b) Thorn must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of the Scheme without the prior written consent of Somers.

4.2 Scheme Consideration

Somers covenants in favour of Thorn (in its own right and separately as trustee for each Scheme Shareholder) that, if the Scheme becomes Effective, in consideration of the transfer to Somers of the Scheme Shares under the terms of the Scheme Somers will:

- (a) accept that transfer on the Implementation Date; and
- (b) pay (or procure the payment of) an amount equal to the aggregate amount of the Scheme Consideration for all Scheme Shares,

in accordance with the terms of the Scheme and Deed Poll.

4.3 Deed Poll

Somers covenants in favour of Thorn (in Thorn's own right and separately as trustee for each of the Scheme Shareholders) to execute, deliver and perform the Deed Poll no later than the Business Day before the First Court Date.

4.4 Loan Agreement

- (a) As soon as reasonably practicable after the date of this deed and in any event prior to the First Court Date, Thorn and Somers must execute and deliver the Loan Agreement in a form substantially the same as set out in Schedule 4.
- (b) Subject to the terms of the Loan Agreement, Thorn will satisfy its obligations to pay the Loan by depositing into a trust account operated by Thorn as trustee for the Scheme Shareholders an amount equal to the aggregate amount of the Loan, by no later than two Business Days before the Implementation Date.

4.5 Dividend or capital return

The Scheme Consideration will be reduced by the cash amount per Scheme Share of any dividend or capital return that is declared or announced after the date of this deed and has a record date between the date of this deed and the Implementation Date.

5. Recommendation, intentions and announcements

5.1 Independent Director Recommendation and Voting Intention

- (a) Subject to clause 5.2, Thorn must ensure that the Announcement and the Explanatory Booklet state that the Independent Director:
- (i) considers the Scheme to be in the best interest of Thorn Shareholders (other than Excluded Shareholders) and that the Independent Director recommends that Thorn Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and the Scheme Consideration Resolutions (**Recommendation**); and
 - (ii) intends to cause any Shares in which he has a Relevant Interest to be voted in favour of the Scheme and the Scheme Consideration Resolutions (**Voting Intention**),
- in each case qualified only by words to the effect of:
- (iii) *'in the absence of a Superior Proposal'*; and
 - (iv) other than in respect of the Explanatory Booklet, *'subject to the Independent Expert concluding that the Scheme is in the best interest of Thorn Shareholders'* and in any public document issued after the Explanatory Booklet, *'subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Thorn Shareholders'*.
- (b) Subject to clause 5.2, Thorn must ensure that the Independent Director does not change, withdraw or modify, or make any public statement or take any other action that is inconsistent with, its, his Recommendation or Voting Intention unless:
- (i) Thorn has received a Superior Proposal and:
 - (A) has entered into a legally binding agreement to undertake or give effect to that proposal; or
 - (B) in the case of a proposal by way of takeover bid which is not subject to an agreement with Thorn, an announcement has been made which attracts section 631(1) of the Corporations Act; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either in its initial report or any subsequent update of its report) that the Scheme is not in the best interest of Thorn Shareholders (other than where the conclusion is due to the existence of a Competing Proposal).
- (c) Despite anything to the contrary in this clause 5.1 or elsewhere in this deed, a statement made by Thorn or the Independent Director to the effect that no action should be taken by Thorn Shareholders pending the assessment of a Competing Proposal by the Independent Director shall not contravene this clause 5.1 or any other provision of this deed.

5.2 Exclusion from Recommendation

The obligation of Thorn under clause 5.1 to ensure that the Independent Director provides and maintains the Recommendation is qualified to the extent that:

- (a) the Independent Director considers, after first obtaining written advice from independent senior counsel of the Victorian, Queensland or New South Wales bar, that he should not provide or continue to maintain any recommendation (positive or adverse) because the Independent Director has an interest in the Scheme that is so materially different from other Thorn Shareholders which would properly preclude or render it inappropriate for him to provide any such recommendation; or
- (b) if a Court, ASIC or the Takeovers Panel requires the Independent Director to change, withdraw, qualify or modify, or abstain from making, his Recommendation.

5.3 Confirmation

Thorn represents and warrants to Somers that the Independent Director has confirmed his agreement not to do anything inconsistent with his Recommendation and Voting Intention (including withdrawing, changing or in any way qualifying his Recommendation or Voting Intention) other than in the circumstances referred to in clause 5.1(b), and to otherwise act in accordance with clause 5.1.

6. Scheme – parties' respective implementation obligations

6.1 Thorn's obligations

Thorn must take all steps reasonably necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement the Scheme as soon as reasonably practicable and after the date of this deed and substantially in accordance with the Timetable, including without limitation taking each of the following steps:

- (a) **(Explanatory Booklet)** prepare the Explanatory Booklet in accordance with clause 6.3;
- (b) **(Independent Expert)** promptly appoint the Independent Expert, in accordance with RG 112, and provide, in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report, all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) **(review of draft Independent Expert's Report)** on receipt from the Independent Expert, provide Somers with the draft report received from the Independent Expert for factual accuracy review (noting in each case that any draft of the Independent Expert's Report provided to Somers for review will not include those sections containing the Independent Expert's opinion on valuation), and promptly give to the Independent Expert any comments that Somers provides Thorn in relation to factual matters regarding Somers in any draft of the Independent Expert's Report;
- (d) **(approval of draft for ASIC and ASX)** as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC and ASX, procure that a committee of the Thorn Board, including the Independent Director, appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act and to ASX for its review and approval for the purposes of Appendix 7A to the Listing Rules;
- (e) **(liaison with ASIC and ASX)** as soon as reasonably practicable after the date of this deed and by no later than 14 days before the First Court Hearing:
 - (i) provide an advanced draft of the Explanatory Booklet, in a form approved in accordance with clauses 6.1(d) and 6.2(d), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act and to ASX for its review and approval for the purposes of Appendix 7A to the Listing Rules; and
 - (ii) liaise with ASIC and ASX during the period of their respective consideration of that draft of the Explanatory Booklet and keep Somers reasonably informed of any matters raised by ASIC or ASX in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with Somers, to resolve any such matters (provided that, where any matters relate to Somers Information, Thorn must not take any steps to address them without the prior written consent of Somers, not to be unreasonably withheld or delayed);
- (f) **(approval of Explanatory Booklet)** as soon as reasonably practicable after the conclusion of the reviews by ASIC and ASX of the Explanatory Booklet, procure that a meeting of a committee of the Thorn Board, including the Independent Director, appointed for the purpose, is held to consider approving the Explanatory Booklet for dispatch to Thorn Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;

- (g) **(section 411(17)(b) statements)** apply to ASIC for the production of statements in writing under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) **(confirmation of no objection from ASX)** request ASX to confirm that it has no objection to the draft Explanatory Booklet;
- (i) **(first Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Thorn to convene the Scheme Meeting;
- (j) **(registration of explanatory statement)** request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (k) **(information)** provide reasonable information about the Scheme and Thorn Shareholders to Somers and its Related Bodies Corporate, which Somers requests and reasonably requires in order to:
 - (i) canvass views on the Scheme by Thorn Shareholders;
 - (ii) facilitate the provision by, or on behalf of, Somers of the Scheme Consideration; or
 - (iii) review the tally of proxy appointments and directions received by Thorn before the Scheme Meeting;
- (l) **(convene Scheme Meeting)** take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Thorn Shareholders and convening and holding the Scheme Meeting;
- (m) **(preparation of notice of Thorn General Meeting):**
 - (i) prepare a notice of Thorn General Meeting; and
 - (ii) consult with Somers as to the content of the notice of Thorn General Meeting, including:
 - (A) providing Somers with drafts of the notice of Thorn General Meeting; and
 - (B) acting reasonably and in good faith, consider all reasonable comments from Somers and its Advisers on those drafts when preparing revised drafts;
- (n) **(lodgement of Notice of Thorn General Meeting)** lodge with ASIC a copy of the notice of Thorn General Meeting and any document relating to the Supporting Resolutions that will accompany the notice of Thorn General Meeting sent to Thorn Shareholders in accordance with the requirements of the Corporations Act and Listing Rules;
- (o) **(convene Thorn General Meeting)** take all reasonable steps necessary to despatch a notice of meeting to Thorn Shareholders and convene and hold the Thorn General Meeting to approve the Supporting Resolutions;
- (p) **(lodgement of notice of financial assistance)** subject to the Scheme Consideration Resolutions being approved, no later than 8:00am on the Second Court Date, lodge with ASIC a notice in the prescribed form stating that the financial assistance has been approved under section 260B of the Corporations Act;
- (q) **(updating Explanatory Booklet)** until the date of the Scheme Meeting, promptly update the Explanatory Booklet with any information that arises after the Explanatory Booklet has been dispatched that is necessary to ensure that the Explanatory Booklet does not contain any material statement that is false or misleading in a material respect (including because of any material omission from that statement) including where, after dispatch of the Explanatory Booklet, Thorn becomes aware:
 - (i) that information included in the Explanatory Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed by Scheme Shareholders under any applicable law but was not included in the Explanatory Booklet.

- (r) **(Court approval application if parties agree that conditions are capable of being satisfied)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act (or, where clause 3.6 applies, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act) and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied or waived prior to the proposed Second Court Date, apply to the Court for orders approving the Scheme;
- (s) **(appeal process)** if the Court refuses to make any orders directing Thorn to convene the Scheme Meeting or approving the Scheme:
- (i) Thorn and Somers must consult with each other in good faith as to whether to appeal the Court's decision; and
 - (ii) Thorn must appeal the court decision unless the parties agree otherwise or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success;
- (t) **(implementation of Scheme)** if the Scheme is approved by the Court:
- (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Record Date in accordance with the Scheme;
 - (iii) provide to Somers all information about the Scheme Shareholders that Somers reasonably requires in order for Somers to provide the Scheme Consideration to the Scheme Shareholders in accordance with the Scheme;
 - (iv) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to Somers on the Implementation Date; and
 - (v) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
- (u) **(Thorn Shareholder support)** promote to its shareholders the merits of the Scheme and encourage Thorn Shareholders (other than the Excluded Shareholder) to vote on the Scheme in accordance with the recommendation of the Independent Director, including soliciting proxy votes in favour of the Scheme and if requested by Somers, procuring that senior Thorn Group employees provide Somers with information and assistance reasonably requested to enable it to promote the merits of the Scheme;
- (v) **(suspension of Trading)** apply to ASX to have:
- (i) trading in Shares suspended from the close of trading on the Effective Date; and
 - (ii) Thorn removed from the official list of ASX, and quotation of Shares on ASX terminated, with effect on and from the close of trading on the Business Day immediately following, or shortly after, the Implementation Date,
- or, in each case, such other dates as the parties may agree, acting reasonably, following consultation with ASX and not do anything to cause any of these things to happen before the time specified in this clause 6.1(v);
- (w) **(Somers Information)** without the prior written consent of Somers, not use the Somers Information for any purposes other than those contemplated by this deed or the Scheme;
- (x) **(documents)** prepare the relevant Court documents and consult with Somers in relation to the content of the documents required for the purpose of the Scheme including originating process, affidavits, submissions and draft minutes of Court orders;
- (y) **(listing)** take all reasonable steps to maintain Thorn's listing on ASX, notwithstanding any suspension of the quotation of Shares, up to and including the Implementation Date, including making appropriate applications to ASX;

- (z) (**Scheme Shareholder support**) promote to its shareholders the merits of the Scheme and encourage Thorn Shareholders (other than Excluded Shareholders) to vote on the Scheme in accordance with the recommendation of the Independent Director, including soliciting proxy votes in favour of the Scheme; and
- (aa) (**compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

6.2 Somers' obligations

Somers must take all steps reasonably necessary to assist Thorn to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable including, without limitation, taking each of the following steps:

- (a) (**Somers Information**) provide to Thorn, in a form appropriate for inclusion in the Explanatory Booklet, all Somers Information that is required by all applicable law, the Listing Rules and RG 60 (to the extent relevant to the Somers Information) for inclusion in the Explanatory Booklet, which information must:
 - (i) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and
 - (ii) be updated by all such further or new material information which may arise after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) (**assistance with Explanatory Booklet and Court documents**) provide any assistance or information reasonably requested by Thorn or its Advisers in connection with the preparation of the Explanatory Booklet (including any supplementary disclosure to Thorn Shareholders) or any Court documents, including reviewing the drafts of the Explanatory Booklet prepared by Thorn and provide comments in a timely manner on those drafts in good faith;
- (c) (**Independent Expert**) subject to the Independent Expert agreeing to reasonable confidentiality restrictions (such agreement to be in form and substance satisfactory to Somers, acting reasonably), promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (d) (**approval of draft for ASIC and ASX**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC and ASX, procure that a meeting of the appropriate representatives of Somers is held to consider approving those sections of that draft that relate to Somers as being in a form appropriate for provision to ASIC and ASX for review;
- (e) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC and ASX of the Explanatory Booklet, procure that a meeting of the appropriate representatives of Somers is held to consider approving those sections of the Explanatory Booklet that relate to Somers as being in a form appropriate for dispatch to Thorn Shareholders, subject to approval of the Court;
- (f) (**Thorn Information**) without the prior written consent of Thorn, not use Thorn Information for any purposes other than those contemplated by this deed or the Scheme;
- (g) (**Scheme Consideration**) if the Scheme becomes Effective:
 - (i) provide the Scheme Consideration in the manner and in the amount contemplated by clause 4.2 of this deed, the terms of the Scheme and the Deed Poll; and
 - (ii) do all things necessary, including obtaining all Somers Board and regulatory approvals or consent necessary to pay the Scheme Consideration in accordance with the Scheme, Deed Poll and this deed; and

- (h) **(compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this deed are effected in accordance with all applicable laws and regulations.

6.3 Explanatory Booklet – preparation principles

- (a) As soon as reasonably practicable after the date of this deed and substantially in accordance with the Timetable, Thorn must prepare the Explanatory Booklet in compliance with:
- (i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 6.3.
- (b) The Explanatory Booklet will include:
- (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting and the notice of Thorn General Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and the Thorn General Meeting, and for any ancillary meeting;
 - (iii) the Thorn Information;
 - (iv) the Somers Information;
 - (v) a copy of this deed (without the schedules or annexures) or a summary of this deed;
 - (vi) a copy of the executed Deed Poll;
 - (vii) a copy of the executed Loan Agreement; and
 - (viii) a copy of the Independent's Expert Report.
- (c) The Explanatory Booklet must include a statement that:
- (i) other than the Somers Information and the Independent Expert's Report, the Explanatory Booklet has been prepared by Thorn and is the responsibility of Thorn, and that to the maximum extent permitted by law, Somers assumes no responsibility for the accuracy or completeness of the Explanatory Booklet (other than Somers Information and will disclaim any liability for any information appearing in the Explanatory Booklet other than the Somers Information); and
 - (ii) the Somers Information has been provided by Somers and is the responsibility of Somers, and that to the maximum extent permitted by law, Thorn assumes no responsibility for the accuracy or completeness of the Somers Information and will disclaim any liability for any Somers Information appearing in the Explanatory Booklet).
- (d) Thorn must make available to Somers drafts of the Explanatory Booklet (excluding any part of the draft of the Independent Expert's Report which contains the Independent Expert's opinion), consult with Somers in relation to the content of those drafts (other than the Somers Information), and consider in good faith, for the purpose of amending those drafts, comments from Somers and Somers' Advisers on those drafts. Somers acknowledges and agrees that Thorn has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as provided in this deed with respect to the Somers Information.
- (e) Thorn must seek approval from Somers for the form and context in which the Somers Information appears in the Explanatory Booklet, which approval Somers must not unreasonably withhold or delay, and Thorn must not lodge the Explanatory Booklet with ASIC until such approval is obtained from Somers.

- (f) If Thorn and Somers disagree on the form or content of the Explanatory Booklet, they must consult in good faith to try to settle an agreed form of the Explanatory Booklet. If complete agreement is not reached after reasonable consultation, then:
- (i) if the disagreement relates to the form or content of any information appearing in the Explanatory Booklet other than the Somers Information, the Independent Director will, acting in good faith, decide the final form or content of the disputed part of the Explanatory Booklet; and
 - (ii) if the disagreement relates to the form or content of the Somers Information, Thorn will make such amendments to the form or content of the disputed part of the Somers Information as Somers reasonably requires.
- (g) Thorn must take all reasonable steps to ensure that the Explanatory Booklet (other than the Somers Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is dispatched to Thorn Shareholders.
- (h) Somers must take all reasonable steps to ensure that the Somers Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is dispatched to Thorn Shareholders.
- (i) Thorn must provide to Somers all such further or new information of which the Thorn becomes aware that arises after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (j) Somers must provide to Thorn all such further or new information of which Somers becomes aware that arises after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Somers Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.
- (k) Thorn must undertake reasonable verification processes in relation to the information included in the Explanatory Booklet (other than the Somers Information and the Independent Expert's Report) so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (l) Somers must undertake reasonable verification processes in relation to the Somers Information so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (m) Thorn and Somers each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Thorn Shareholders and Somers and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 6.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

6.4 Conduct of Court proceedings

- (a) Somers is entitled to separate representation at all Court proceedings affecting the Proposed Transaction.
- (b) Nothing in this deed gives Thorn or Somers any right or power to give undertakings to the Court for or on behalf of the other party without that other party's written consent.

7. Conduct of business before the Implementation Date

7.1 Conduct of the Thorn business

- (a) Subject to clause 7.2(a), from the date of this deed up to and including the Implementation Date, Thorn must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:
- (i) operate those businesses consistent with past practice, in substantially the same manner as previously conducted in the 12 month period prior to the date of this deed, excluding any impacts arising from the disposal of the Thorn's asset finance business disposed to Resimac Group Limited prior to the date of this deed;
 - (ii) use reasonable endeavours to ensure that the condition of its business and all assets are maintained in the normal course consistent with past practice;
 - (iii) maintain (and where necessary use reasonable efforts to renew) each of its authorisations and licences applicable to each member of the Thorn Group held by that member as at the date of this deed;
 - (iv) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the Thorn Group is a party, and with laws, authorisations and licences applicable to each member of the Thorn Group;
 - (v) keep Somers reasonably informed of any material developments concerning the Thorn Group; and
 - (vi) not take or fail to take any action that constitutes a Thorn Prescribed Occurrence or that could reasonably be expected to result in a Thorn Prescribed Occurrence.
- (b) Without limiting clause 7.1(a) but subject to clause 7.2(a), Thorn must not, and must procure that its Subsidiaries do not, from the date of this deed up to and including the Implementation Date, do any of the following (or agree or offer to do any of the following):
- (i) other than the dividend or capital reduction contemplated by clause 4.5, declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of a dividend, capital reduction or otherwise;
 - (ii) incur any additional Financial Indebtedness above \$100,000 (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs as Fairly Disclosed in the Due Diligence Material) or guarantee or indemnify the obligations of any person other than a member of the Thorn Group above \$100,000;
 - (iii) other than as approved in writing by Somers (not to be unreasonably withheld or delayed), amend or take any action that:
 - (A) seeks or causes a financier (or person acting on its behalf) to consent to or waive (whether or not such consent or waiver is conditioned) any provision under; or
 - (B) would be reasonably likely to give rise to a financier (or person acting on its behalf) being capable of exercising a right that would pose a risk to the continuity of,

any Financial Indebtedness to which one or more members of the Thorn Group are a party;
 - (iv) give or agree to give a financial benefit to a related party of Thorn (other than a related party that is a Thorn Group Member);
 - (v) make any change to its constitution;

- (vi) (except as required by law or as provided in an existing contract in place as at the date of this deed as Fairly Disclosed in the Due Diligence Material) enter into or make any material change to the terms of employment of (including increasing the remuneration or compensation of), any Key Person, in each case other than relating to rights or entitlements in effect on the date of this deed and which are Fairly Disclosed in the Due Diligence Material;
- (vii) amend the terms of any option, performance right, or share plan;
- (viii) accelerate the rights of any of their employees to compensation or benefits of any kind (including under any option, performance right or share plan) other than as provided for in any existing terms of agreements or securities in place as at the date of this deed;
- (ix) terminate or encourage the resignation of a Key Person, except for cause (acting reasonably) in accordance with contractual arrangements in effect on the date of this deed or otherwise in accordance with current personnel practices;
- (x) pay any of its officers, directors, executives or other employees a bonus, severance, termination or retention payment in excess of \$100,000 (in aggregate), other than pursuant to contractual arrangements in effect on the date of this deed and which are Fairly Disclosed in the Due Diligence Material;
- (xi) make any concession or acknowledgment in respect of, or vary any pattern of work of, any employee or group of employees that is reasonably expected to give rise to a future potential claim, dispute or liability for Thorn Group that may reasonably give rise to potential costs or liability of more than \$100,000 in aggregate for all such potential costs or liabilities;
- (xii) settle or compromise any dispute, audit on inquiry in relation to tax or duty or amends any tax return;
- (xiii) either:
 - (A) sell, assign, transfer or grant any exclusive licence to; or
 - (B) abandon or permit to let lapse or expire, any intellectual property material to the business of the Thorn Group as conducted as at the date of this deed;
- (xiv) commence, threaten in writing, settle or offer to settle any legal proceedings, claim, dispute, investigation, arbitration or other like proceeding that relates to potential costs or liability of more than \$100,000 (after allowing for insurance recoveries);
- (xv) except under contractual arrangements in effect on the date of this deed and which are Fairly Disclosed in the Due Diligence Material, enter into any enterprise bargaining agreement or similar collective employment agreement;
- (xvi) enter into any new line of business or new type of activities in which the Thorn Group is not engaged as at the date of this deed;
- (xvii) alter in any material respect any accounting policy of any member of the Thorn Group, other than any change required by applicable accounting standards;
- (xviii) waive any material third party default where:
 - (A) the financial impact of the waiver on the Thorn Group as a whole will be in excess of \$100,000 (individually or in aggregate); and
 - (B) the reasonable cost of recovery from the third party in respect of that default will be in excess of the financial impact of the waiver;
- (xix) take or fail to take any action which is, or would be reasonably expected to give rise to, a Thorn Prescribed Occurrence;

- (xx) cancel any existing insurance policy in the name of or for the benefit of a member of the Thorn Group in respect of any material assets or material risks unless a replacement policy (on the same or substantially similar terms) has been put in place; and
- (xxi) take out any insurance policy with respect to the Thorn Group or any of its directors or officers.

7.2 Permitted activities

- (a) The obligations of Thorn under clause 7.1 do not apply in respect of any matter:
 - (i) required to be done or procured by Thorn under, or which is otherwise contemplated by, this deed or the Scheme;
 - (ii) required by law. Accounting Standards, or by an order of a court or Governmental Agency;
 - (iii) required in order to pay any tax or duty when due;
 - (iv) subject to clause 7.2(b), Fairly Disclosed in the Due Diligence Material or in documents that were publicly available in the 12 months prior to the date of this deed from public filings of Thorn with ASX or ASIC as being actions that the Thorn Group may carry out between the date of this deed and the Implementation Date; or
 - (v) the undertaking of which Somers has approved in writing (which approval must not be unreasonably withheld or delayed).
- (b) Thorn must, in respect of any matter referred to in clause 7.2(a)(iv) above that it proposes to undertake:
 - (i) if the Due Diligence Material permits the carrying out of the action only in accordance with certain conditions, ensure those conditions are met;
 - (ii) not undertake that matter (or commit to undertake that matter) without first consulting with Somers; and
 - (iii) promptly provide Somers with any information regarding the matter reasonably requested by Somers.
- (c) Clause 7.2(b) does not operate to provide Somers with a veto right in respect of any matter referred to in clause 7.2(a)(iv).

7.3 Access

- (a) In the period from the date of this deed to the Implementation Date and for so long as the Independent Director continues to publicly recommend that Thorn Shareholders vote in favour of the Scheme, Thorn must:
 - (i) procure that at least two members of Thorn's executive management team meet with representatives of Somers on a fortnightly basis to assist with, among other things:
 - (A) keeping Somers fully informed of the matters contemplated by clause 7.3(a)(ii) below; and
 - (B) providing Somers with access to information and people it has requested under clause 7.3(a)(iv) below;
 - (ii) procure that a weekly meeting is held between representatives of Thorn and Somers to discuss developments relating to the Thorn Group and the Proposed Transaction;
 - (iii) keep Somers fully informed of all material developments relating to the Thorn Group;

- (iv) promptly following a reasonable request by Somers, provide Somers (and its Authorised Persons) with access to:
 - (A) documents and information relating to the Thorn Group;
 - (B) executives and Senior Management of the Thorn Group; and
 - (C) Thorn head office employees, subject to a member of Senior Management of the Thorn Group being present during any such discussions with the Thorn head office employees,
 for the purpose of or in connection with:
 - (D) planning the transition of the Thorn Group and other matters relating to the conduct of the Thorn Group following the Implementation Date (including for the avoidance of doubt, determining pre and post Implementation restructure requirements and employment options);
 - (E) obtaining a general understanding of the operation and performance of the Thorn Group's business;
 - (F) the financing arrangements in respect of the Proposed Transaction, including any refinancing of existing financial indebtedness of the Thorn Group;
 - (G) holding discussions with third parties, with the consent of Thorn (such consent not to be unreasonably withheld or delayed) that Somers and its Authorised Persons reasonably wish to enter into with respect to the Proposed Transaction prior to the Implementation Date, including procuring that employees of any member of the Thorn Group participate in such discussions;
 - (H) otherwise facilitating the Proposed Transaction; and
 - (I) any other purpose that is agreed in writing between Thorn and Somers.
- (b) Nothing in this clause 7.3 obliges Thorn to provide to Somers or its Authorised Persons any information:
 - (i) concerning the Independent Director's consideration of the Scheme; or
 - (ii) which would breach an obligation of confidentiality to any person or any applicable privacy laws.
- (c) Thorn will provide reasonable assistance to Somers for the purpose of satisfying Thorn's obligations under this clause 7.3 but nothing in this clause 7.3 requires Thorn to provide access to its people or documentation or to take any other action which would involve refreshing or updating the Due Diligence Material or which would disrupt the usual and ordinary course of Thorn's businesses and operations.
- (d) The parties agree and acknowledge that nothing in this clause 7.3 requires Thorn to provide any information that is different or in addition to the information Thorn provides to its Board and Senior Managers in the usual and ordinary course consistent with past practice.

8. Actions on and following Implementation Date

8.1 Reconstitution of the board of each member of Thorn Group

- (a) On the Implementation Date, but subject to the Scheme Consideration having been paid in full by Somers to Thorn and receipt by Thorn of signed consents to act, Thorn must take all actions necessary (and in accordance with the constitution of the Thorn Group Member, the Corporations Act and the Listing Rules) to appoint the persons nominated by Somers as new Thorn Directors and new directors of each Subsidiary.

- (b) Without limiting clause 8.1(a), on the Implementation Date, but subject to receipt by Thorn of written notices of resignation to the effect that the outgoing directors have no claim outstanding against any member of the Thorn Group which Thorn must use its reasonable endeavours to procure such resignations, Thorn must procure that:
- (i) all outgoing Thorn Directors resign from the Thorn Board;
 - (ii) all outgoing directors of each Subsidiary of Thorn resigns from their office; and
 - (iii) any and all powers of attorney granted in respect of any member of the Thorn Group (including, but not limited to, any powers of attorney granted in favour of a Thorn Director, any other officer of Thorn, a director of a Subsidiary or any officer of a Subsidiary), in each case in a manner satisfactory to Somers, are revoked.

8.2 Sequence of actions on the Implementation Date

On the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:

- (a) Somers will provide the Scheme Consideration to Thorn in accordance with the Scheme;
- (b) Thorn will disburse the Scheme Consideration to Scheme Shareholders in accordance with the Scheme;
- (c) Somers will acquire all of the Scheme Shares in accordance with the Scheme;
- (d) the Thorn Board and the board of each Subsidiary of Thorn will be reconstituted in accordance with clause 8.1; and
- (e) Thorn will apply to ASX to be removed from the official list of ASX with effect from a date nominated by Somers.

9. Representations and warranties

9.1 Somers' representations

- (a) Somers represents and warrants to Thorn (on the Thorn's own behalf and separately as trustee for each of the other Thorn Parties) each of the matters set out in clause 9.1(b) as at the date of this deed and on each subsequent day until the Delivery Time on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Somers represents and warrants that:
 - (i) Somers is a validly existing corporation registered under the laws of its place of incorporation. Somers is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties and assets owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so registered or in good standing would not reasonably be expected to have a material adverse effect on Somers;
 - (ii) the execution and delivery of this deed has been properly authorised by all necessary corporate action and Somers has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
 - (iii) this deed constitutes legal, valid and binding obligations on it and this deed does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which Somers is a party or is bound;
 - (iv) subject to the satisfaction of the conditions set forth herein, this deed does not and the consummation of the Scheme will not contravene, violate, conflict with or result in a breach of any provision of:
 - (A) any rule, law or regulation to which Somers or any Somers Subsidiary's material property is subject to; or

- (B) Somers' memorandum of association and by-laws;
- (v) Somers Information provided to Thorn in accordance with clause 6.2(a) for inclusion in the Explanatory Booklet will:
 - (A) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (B) be provided on the understanding that each of the Thorn Parties will rely on that information for the purposes of preparing the Explanatory Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (vi) as at the date the Explanatory Booklet is dispatched to Scheme Shareholders, the Somers Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vii) Somers will, as a continuing obligation, provide to Thorn all such further or new information which may arise after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting which is necessary to ensure that the Somers Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (viii) all factual information Somers has provided to Thorn prior to this deed is, to the best of the Somers' knowledge, accurate in all material respects and not misleading in any material respect (whether by omission or otherwise), including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information;
- (ix) between the date of this deed and the Record Date, Somers will not, and will procure that each other member of the Somers Group does not, enter into any arrangement under which it obtains the beneficial interest in any Shares, unless the Shares are registered in the name of Somers;
- (x) as at the date of this deed, no Insolvency Event has occurred in relation to Somers; and
- (xi) so far as Somers is aware, there are no material investigations, actions, suits, arbitrations, legal or administrative proceedings pending or, to the knowledge of the Somers, threatened against Somers.

9.2 Somers' indemnity

Somers agrees with Thorn (on Thorn's own behalf and separately as trustee or nominee for each of the other Thorn Parties) to indemnify and keep indemnified the Thorn Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Thorn Parties may suffer or incur by reason of any breach of any of the representations and warranties in clauses 9.1(a) or 9.1(b).

9.3 Thorn representations

- (a) Thorn represents and warrants to Somers each of the matters set out in clause 9.3(b) as at the date of this deed and on each subsequent day until on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Thorn represents and warrants that:
 - (i) Thorn is a validly existing corporation registered under the laws of its place of incorporation;

- (ii) the execution and delivery of this deed by Thorn has been properly authorised by all necessary corporate action and Thorn has full corporate power and lawful authority to execute and deliver this deed and to perform or cause to be performed its obligations under this deed;
- (iii) this deed constitutes legal, valid and binding obligations on Thorn and the execution of this deed of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which Thorn or any of its Subsidiaries is a party or to which they are bound;
- (iv) subject to the satisfaction of the conditions set forth herein, this deed does not and the consummation of the Scheme will not contravene, violate, conflict with or result in a breach of any provision of:
 - (A) any rule, law or regulation to which Thorn or any Thorn Subsidiary's material property is subject to; or
 - (B) Thorn's constitution;
- (v) the Thorn Information contained in the Explanatory Booklet was prepared and included in good faith and will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60;
- (vi) as at the date the Explanatory Booklet is dispatched to Thorn Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Somers Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (i) all information provided by or on behalf of Thorn to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's Report for inclusion in the Explanatory Booklet;
- (ii) any statement of belief or opinion contained in the Explanatory Booklet (other than with respect to the Somers Information or Independent Expert's Report) is honestly held and there are reasonable grounds for Thorn holding that belief or opinion;
- (vii) as at the date of this deed, the total issued capital of Thorn comprises 34,764,019 Shares and there are no other Thorn options, performance rights, shares, convertible notes or other securities (or offers or agreements to issue any of the foregoing);
- (viii) Thorn has no Subsidiaries other than as disclosed in the Thorn Financial Statements. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any such shares of capital stock or other ownership interests in any of Thorn's Subsidiaries. All of the outstanding shares of capital stock and other ownership interests in Thorn's Subsidiaries are validly issued and are not subject to, nor were they issued in violation of, any pre-emptive rights;
- (ix) as at the date of this deed, Thorn is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Proposed Transaction or as disclosed in writing to Somers on or before the date of this deed);
- (x) so far as Thorn is aware, each member of the Thorn Group has complied in all material respects with all laws or regulations applicable to them (or order of any Governmental Agency having jurisdiction over them);

- (xi) as at the date of this deed and other than as disclosed in the Due Diligence Materials, there is no judgment, injunction, order or decree binding on any member of the Thorn Group that has or would be likely to have the effect of prohibiting, materially restricting or materially impairing after the Effective Date any business of the Thorn Group as presently being conducted;
- (xii) in the five years immediately prior to the date of this deed, the corporate records and minute books of Thorn and each Thorn Group Member have been maintained materially in accordance with all applicable laws and are complete and accurate, except where such incompleteness or inaccuracy would not omit material information required to be included;
- (xiii) there are no material security interests over all or any of the assets or revenues of the Thorn Group;
- (xiv) no Thorn Prescribed Occurrence has occurred;
- (xv) subject to clause 9.5(b), no investigations, actions, suits, arbitrations, mediations, conciliations, legal or administrative proceedings including, to avoid doubt, in relation to Tax matters, are taking place, pending or, to the knowledge of Thorn, threatened against Thorn or any Thorn Group Member and no Thorn Group Member, or any of their respective properties or assets, are subject to any sanction, outstanding judgment, order, decision, decree, ruling, award or injunction;
- (xvi) subject to clause 9.5(b), no warranty, indemnity or other type of claim is made against the Thorn Group pursuant to any transactions entered into by the Thorn Group prior to the date of this deed;
- (xvii) Thorn and each Thorn Group Member has always complied with all Tax regulations applicable to it in all jurisdictions in which it operates or has operated or otherwise had or has a presence;
- (xviii) Thorn and each member of the Thorn Group has duly and timely:
 - (A) prepared and filed all Tax returns required to be filed by it with the appropriate Governmental Agency and, such tax returns are complete and correct in all material respects;
 - (B) duly and timely paid all Taxes due;
 - (C) satisfied its obligations regarding the conservation of documents and holds (or has access to) all appropriate documents which could be required by the relevant Governmental Agency to justify its basis for assessment in relation to Taxes and its Tax filings;
 - (D) withheld all Taxes and other amounts required by law to be withheld by it and has duly and timely remitted to the appropriate Governmental Agency such taxes and other amounts required by law to be remitted by it;
 - (E) collected all amounts on account of sales or transfer taxes, including goods and services, stamp duty, harmonised sales and provincial or territorial sales taxes, required by law to be collected by it and has duly and timely remitted to the appropriate Governmental Agency any such amounts required by law to be remitted by it; and
 - (F) the charges, accruals and reserves for Taxes reflected in the Thorn Financial Statements (whether or not due and whether or not shown on any tax return but excluding any provision for deferred income taxes) are, in the opinion of Thorn, adequate under applicable accounting principles to cover Taxes with respect to Thorn and the Thorn Group for the periods covered thereby;

- (xix) no member of the Thorn Group is or has been a party to any transaction or arrangement under which they have acquired or sold any asset, or have remunerated or supplied goods or services of any kind whatsoever for a price that is below or above the market value of that asset or services in such a way that it could be considered to be a mismanagement decision or to be in breach of regulations on transfer prices or thin capitalisation rules;
- (xx) no member of the Thorn Group has ever been a party to any transaction, arrangement or series of arrangements the purpose of which could be considered by the relevant Governmental Agency as principally or exclusively tax driven or which could constitute a misuse of law;
- (xxi) Thorn's financial statements as disclosed to ASX and Thorn's Subsidiaries' financial statements have been prepared in accordance with the Accounting Standards on a basis consistent with past practice financial statements and, so far as Thorn is aware, there has not been any event, change, effect or development which would require Thorn or any of its Subsidiaries to restate their financial statements;
- (xxii) no employee or consultant is entitled to any retention payment, bonus or other payment or the vesting of any other benefit which would be triggered by the announcement or implementation of the Proposed Transaction (or by any other milestone in connection with the Proposed Transaction);
- (xxiii) other than as disclosed to Somers and so far as Thorn is aware:
 - (A) there is no current or threatened investigation, notice or prosecution of Thorn under workplace health and safety laws;
 - (B) there is no current or threatened investigation, notice or prosecution of Thorn relating to its compliance with labour laws (including any industrial instruments);
 - (C) none of the employees, consultants or independent contractors have provided Thorn with written notice of any pending or threatened claims against it, in each case which remains outstanding;
 - (D) there are no employees who are receiving or are due to receive workers' compensation payments;
 - (E) Thorn has not been ordered to pay any damages, compensation or award to any employee, consultant or independent contractor in the past 12 months; and
 - (F) there has been no disciplinary action or grievance procedure taken against, or involving, any employee, consultant or independent contractor involving a matter or behaviour which was a breach of any law or has, or could reasonably be expected to have, a material adverse effect on the operations of Thorn;
- (xxiv) each member of the Thorn Group has all material licenses, permits and franchises necessary for it to conduct its business;
- (xxv) the Due Diligence Material has been disclosed in good faith and, so far as the Thorn Board and the senior management of Thorn are aware after due enquiry, Thorn has not knowingly or recklessly:
 - (A) omitted anything from such information such as to make any part of that information materially false or misleading; or
 - (B) included anything materially false or misleading in such information, noting that no warranty or representation, expressed or implied, is given in relation to any forecast, forward looking statement, budget or projection contained or referred to in the Due Diligence Material; and
- (xxvi) no Insolvency Event has occurred in relation to Thorn or another Thorn Group Member.

9.4 Thorn's indemnity

Thorn agrees with Somers (on Somers' own behalf and separately as trustee or nominee for each of the other Somers Parties) to indemnify and keep indemnified the Somers Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which Somers may suffer or incur by reason of any breach of any of the Thorn Warranties.

9.5 Qualifications on Thorn's representations, warranties and indemnities

- (a) The representations and warranties in clause 9.3 (other than the representations and warranties in clauses 9.3(b)(xv) and 9.3(b)(xvi)) are each subject to matters that have been Fairly Disclosed in:
 - (i) the Due Diligence Material; or
 - (ii) Thorn's announcements to ASX, or a publicly available document lodged with ASIC in relation to Thorn or a Thorn Group Member (as applicable), in the 12 month period prior to the date of this deed; or
 - (iii) are within the actual knowledge of Somers as at the date of this deed,
- (b) The representations and warranties in clauses 9.3(b)(xv) and 9.3(b)(xvi) are each subject to the relevant matter, event or circumstance that results in the representation or warranty being incorrect involves liability or potential liability for Thorn in excess of \$1.5 million (individually or in aggregate). The parties acknowledge and agree that a breach of the representation and warranty in either of clauses 9.3(b)(xv) or 9.3(b)(xvi) is a material breach of this deed and would result in the representation and warranties provided by Thorn being breached in a material respect for the purposes of clause 3.1(g).

9.6 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 9.

9.7 Survival of representations

Each representation and warranty in clauses 9.1 and 9.3:

- (a) is severable;
- (b) will survive the termination of this deed; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

9.8 Survival of indemnities

Each indemnity in this deed (including those in clauses 9.2 and 9.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survive the termination of this deed.

10. Releases

10.1 Thorn Parties

- (a) Without limiting Somers' rights under clause 9, Somers (for itself and as agent of every member of the Somers Group) releases all rights against and agrees with Thorn that it will not make a Claim against, any Thorn Party (other than Thorn) in connection with:
- (i) Thorn's execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of Thorn or any other member of Thorn Group in this deed;
 - (iii) the implementation of the Scheme;
 - (iv) any disclosure made by any Thorn Party including in the Due Diligence Material that contains any statement which is false or misleading whether in content or by omission; or
 - (v) any failure to provide information in connection with the Scheme,
- whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except to the extent the relevant Thorn Party has engaged in wilful misconduct, wilful concealment or fraud.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Thorn receives and holds the benefit of this clause as trustee for each other Thorn Party.

10.2 Somers Parties

- (a) Without limiting Thorn's rights under clause 9, Thorn (for itself and as agent of every member of the Thorn Group) releases its rights against, and agrees with Somers that it will not make a Claim against any Somers Party (other than Somers) in connection with:
- (i) Somers' execution or delivery of this deed;
 - (ii) any breach of any representation, covenant and warranty of Somers or any other member of the Somers Group in this deed;
 - (iii) the implementation of the Scheme;
 - (iv) any disclosure made by any Somers Party that contains any statement which is false or misleading whether in content or by omission; or
 - (v) any failure to provide information in connection with the Scheme,
- whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except to the extent that the relevant Somers Party has engaged in wilful misconduct, wilful concealment or fraud.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Somers receives and holds the benefit of this clause as trustee for each other Somers Party.

10.3 Deeds of indemnity

- (a) Subject to the Scheme becoming Effective, Somers undertakes in favour of Thorn and each other person who is a Thorn Party that it will:
- (i) subject to clause 10.3(d), for 7 years from the Implementation Date, ensure that the constitutions of Thorn and each other member of the Thorn Group continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Thorn Group; and

- (ii) procure that Thorn and each other member of the Thorn Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time.
- (b) The undertakings contained in clause 10.3(a) are subject to any Corporations Act restriction, or any restriction in the law of a jurisdiction in which an entity is incorporated, and will be read down accordingly.
- (c) Thorn receives and holds for the benefit of clause 10.3(a), to the extent it relates to the other Thorn Parties, as trustee for them.
- (d) The undertakings contained in clause 10.3(a) are given:
 - (i) in the case of clause 10.3(a)(i), until the earlier of 7 years from the Implementation Date or the relevant member of the Thorn Group ceasing to be part of the Somers Group; or
 - (ii) in the case of clause 10.3(a)(ii), until the earlier of 7 years from the retirement of each director and officer or the relevant member of the Thorn Group ceasing to be part of the Somers Group.

11. Confidentiality and announcements

11.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Agreement save that the terms of this deed will prevail over the Confidentiality Agreement to the extent of any inconsistency.

11.2 Announcements

- (a) Immediately after the execution of this deed, or if this deed is executed after the close of trading, prior to the commencing of trading on the next Business Day, Thorn must issue its Announcement to the ASX.
- (b) Subject to clause 11.2(c) any further public announcements by either of the parties in relation to, or in connection with the Scheme may only be made in a form approved by the other party in writing (acting reasonably).
- (c) Where a party is required by applicable law, the Listing Rules or any other applicable financial market regulation to make any announcement or to make any disclosure in connection with the Proposed Transaction or any other transaction the subject of this deed or the Scheme, it may do so but must use reasonable endeavours, to the extent practicable and lawful, to consult with the other party before making the relevant disclosure and must give the other party as much notice as reasonably practicable.

11.3 Statements on termination

The parties must use all reasonable endeavours to issue agreed statements in respect of any termination of this deed and, to that end but without limitation, clause 11.2 apply to any such statements or disclosures.

12. Termination

12.1 Termination by notice

- (a) Somers or Thorn may, by notice in writing to the other party, terminate this deed:
 - (i) at any time prior to the Delivery Time on the Second Court Date:

- (A) either:
 - (I) the other party (**defaulting party**) is in material breach of a material provision of this deed (other than for a breach of a representation or warranty in clause 9.1 or 9.3) and the relevant breach is material when taken in the context of the Scheme as a whole; or
 - (II) a representation or warranty by the defaulting party is not true and correct, where that breach is material in the context of the transaction as a whole;
- (B) the non-defaulting party has given written notice to the defaulting party setting out the relevant circumstances of the breach and stating an intention to terminate this deed; and
- (C) the relevant circumstances continue to exist for seven Business Days from the time the notice of intention to terminate is given (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date);
- (ii) in accordance with clause 3.7;
- (iii) if a Court or other Governmental Agency has issued an order, decree or ruling or taken other action that permanently restrains or prohibits the Proposed Transaction and that order, decree, ruling or other action has become final and cannot be appealed, provided all proper avenues of appeal and review (judicial and otherwise) have been exhausted; or
- (iv) if the Effective Date for the Scheme has not occurred on or before the End Date.
- (b) Thorn may, by notice in writing to Somers, terminate this deed at any time prior to the Delivery Time on the Second Court Date if at any time before then the Independent Director has:
 - (i) changed, withdrawn or adversely modified his recommendation or voting intention statement; or
 - (ii) recommended or made a statement supporting or endorsing a Competing Proposal.
- (c) Somers may, by notice in writing to Thorn, terminate this deed at any time prior to the Delivery Time on the Second Court Date if:
 - (i) at any time before the Delivery Time on the Second Court Date the Independent Director:
 - (A) changes, withdraws or adversely modifies his recommendation, voting intention statement or support of the Scheme; or
 - (B) makes a public statement indicating that he or she no longer supports the Scheme or recommends, endorses or supports a Competing Proposal, other than as a result of the circumstances described in clause 5.2, which for the avoidance of doubt will not extend to the Independent Director adversely revising or adversely modifying his recommendation of the Proposed Transaction or making a public statement indicating that they recommend, endorse or support a Competing Proposal; or
 - (ii) a Thorn Group Member enters into a definitive agreement in relation to the implementation of a Competing Proposal, which for the avoidance of doubt does not include a Thorn Group Member entering into an Acceptable Confidentiality Agreement for the sole or dominant purpose of providing non-public information relating to or concerning the business or operations of Thorn or the Thorn Group in relation to an actual, proposed or potential Competing Proposal.

12.2 Automatic termination

Without limiting any other term of this deed but subject to clause 3.6, this deed will terminate automatically if the Scheme is not approved by the necessary majorities at the Scheme Meeting.

12.3 Effect of termination

- (a) In the event of termination of this deed under clause 3.7, 12.1, or 12.2, this deed will become void and have no effect, except that the provisions of clauses 1, 9.7, 9.8, 12 and 15.3 to 15.17 (inclusive) survive termination.
- (b) Termination of this deed does not affect any accrued rights of a party in respect of a breach of this deed prior to termination.

12.4 Disclosure on termination of deed

The parties agree that, if this deed is terminated under this clause 12, any party may disclose:

- (a) the fact that this deed has been terminated, where such disclosure is required by the relevant Listing Rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed;
- (b) the fact that this deed has been terminated to ASIC and the Court; and
- (c) information that is required to be disclosed as a matter of law or in any proceedings.

13. Withholding tax

- (a) If Somers is required to make any withholding, deduction or payment for or on account of Tax (including under Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**)) or by any Governmental Agency in respect of the acquisition of Scheme Shares from the Scheme Shareholders, Somers (subject to clauses 13(b) and 13(c)):
 - (i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Governmental Agency under applicable law; and
 - (ii) will not be required to pay any additional amount and will be deemed for all purposes to have paid the full amount of the Scheme Consideration (or other payment) required under this deed.
- (b) Somers acknowledges and agrees that it will not withhold or deduct any Subdivision 14-D amounts under clause 13(a) with respect to a Scheme Shareholder where:
 - (i) a Scheme Shareholder holds less than a 10% of the issued shares of Thorn (on an associate inclusive basis); or
 - (ii) Somers has no knowledge or reasonable belief that a particular Scheme Shareholder is a foreign resident; or
 - (iii) Somers receives a declaration in accordance with the requirements of section 14-225 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) that covers, at least, the period between (and including) the date of this deed and the Implementation Date (**Scheme Shareholder Declaration**) from the Scheme Shareholder prior to the Implementation Date and does not know the Scheme Shareholder Declaration to be false.
- (c) Where:
 - (i) Somers either:
 - (A) knows that a particular Scheme Shareholder is not, or reasonably believes that a particular Scheme Shareholder is not, an Australian resident; or
 - (B) does not reasonably believe that a particular Scheme Shareholder is an Australian resident and either has an address outside of Australia or

directs Somers to pay some or all of the Scheme Consideration to a place outside of Australia; and

- (ii) that Scheme Shareholder holds more than 10% of the issued shares of Thorn (on an associate inclusive basis),

Somers can withhold in accordance with clause 13(a) if required to do so.

- (d) Thorn agrees that Somers may approach the Australian Taxation Office to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance that Somers reasonably requires in making any such approach. Somers agrees:
 - (i) to provide Thorn a reasonable opportunity to review the form and content of all materials to be provided to the Australian Taxation Office; and
 - (ii) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D to the Scheme without Thorn's prior written consent, such consent not to be unreasonably withheld.
- (e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the Australian Taxation Office following any process described in clause 13(b). The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this deed, the Scheme and the Deed Poll to ensure that relevant representations are obtained from Scheme Shareholders

14. Notices

Any communication under or in connection with this deed:

- (a) must be in writing;
- (b) must be sent to the address for service of the addressee specified in the Details;
- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by email to the email address, of the addressee, in accordance with the Details; and
- (e) will be deemed to be received by the addressee, unless the time for delivery required by this deed is before 9.00am or after 5.00pm on a Business Day:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in the Details, unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of email)** immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

15. General

15.1 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this deed.

15.2 Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties.

15.3 Payments

Unless otherwise provided in this deed, where an amount is required to be paid to a party (**Receiving Party**) by another party under this deed, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

15.4 GST

- (a) Any reference in this clause 15.4 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this deed is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this deed but for the application of this clause 15.4(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 15.4(c) does not apply to any taxable supply under or in connection with this deed that is stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 15.4 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) If an amount on account of GST is payable under clause 15.4(c), the Supplier must provide the Recipient with a tax invoice before such amount is payable.
- (f) If the GST payable in relation to a supply varies from the GST amount paid by the Recipient under clause 15.4(c), the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of the variation from the Recipient provided that the Supplier provides an adjustment note to the Recipient where there is an adjustment event. Any payment, credit or refund under this clause 15.4(f) is deemed to be a payment, credit or refund of the GST payable under clause 15.4(c).
- (g) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

15.5 Stamp duty

Somers must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme (including without limitation the acquisition or transfer of Scheme Shares under the Scheme).

15.6 Expenses

Except as otherwise provided in this deed, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this deed and the Explanatory Booklet and the proposed, attempted or actual implementation of this deed and the Scheme.

15.7 Amendments

This deed may only be varied by a document signed by or on behalf of each of the parties.

15.8 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.

15.9 Business Day

Except where otherwise expressly provided, where under this deed the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing will be done on the next Business Day.

15.10 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by any party under this deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed will operate as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Nothing in this deed obliges a party to exercise a right to waive any conditional term of this deed that may be in its power.

15.11 Counterparts

- (a) This deed may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same deed.
- (b) This deed is binding on the parties on the exchange of duly executed counterparts.

15.12 Electronic execution

Each party consents to the signing of this deed by electronic means. The parties agree to be legally bound by this deed signed in this way.

15.13 Electronic exchange of documents

In relation to the electronic exchange of documents:

- (a) parties may exchange executed counterparts of this document, or any other document required to be executed under this document, by delivery from one party to the other party

by emailing a pdf (portable document format) copy of the executed counterpart to that other party (**Electronic Delivery**); and

- (b) Electronic Delivery of an executed counterpart will be deemed effective delivery of the original executed counterpart, from the date and time of receipt by the other party.

15.14 Entire agreement

- (a) This deed and any other documents specified by the parties for the purposes of this clause 15.14:
 - (i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
 - (ii) supersedes any prior agreement (whether or not in writing) between the parties.
- (b) Despite clause 15.14(a), the Confidentiality Agreement continues to apply to the parties to that deed in accordance with its terms, except to the extent of any express inconsistency, in which case this deed prevails.

15.15 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements set out in this deed.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement set out in this deed.

15.16 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

15.17 Governing law

- (a) This deed is governed by and will be construed according to the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and of the courts competent to determine appeals from those courts.

Schedule 1 – Indicative Timetable

[Not reproduced here. Refer to ASX announcement dated 21 September 2023 for indicative timing. Await Explanatory Booklet for updated indicative timing.]

Schedule 2 – Deed Poll

[Not reproduced here. Await Explanatory Booklet.]

Schedule 3 – Scheme

[Not reproduced here. Await Explanatory Booklet.]

Schedule 4 – Loan Agreement

[Not reproduced here. Await Explanatory Booklet.]

Signing page

EXECUTED as a deed.

Executed by Thorn Group Limited

ACN 072 507 147 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

Signature of director

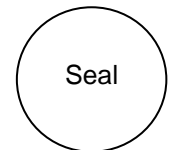
Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

Signed sealed and delivered by Somers Limited
in the presence of



Signature of witness

Signature of authorised signatory

Name of witness (print)

Name of authorised signatory