

Target Market Determination

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| Product | Housing Loan - Access Equity Variable Rate Loan |
| Issuer | The Capricornian Ltd ABN/ACN 54 087 650 940 Australian Financial Service Licence / Australian Credit Licence 246780 |
| Date of TMD | 3 January 2023 |
| Target Market | <p>Description of target market</p> <p>Retail clients who:</p> <ul style="list-style-type: none"> • Is an Australian resident and whose potential security property is domiciled in Australia; • Are aged 18 years or more and meet the credit assessment criteria for the product; • Are seeking a loan to utilise the equity in their property (up to 80% LVR): <ul style="list-style-type: none"> ○ to renovate a home; or ○ for any worthwhile purpose including to make a purchase or to consolidate an existing debt; • Seeking an alternative to a personal loan at a lower interest rate; • Are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan; • Need the flexibility to make additional repayments; • Need to make regular repayments of interest and principal over the term of the loan; • Want quick access to funds that can be paid off quickly and kept separately to their main home loan; • Do not need progressive drawdowns or mortgage offset account; and • Is currently or wishes to become a shareholding member of The Capricornian Ltd. <p>Description of product, including key attributes</p> <p>This is an Access Equity Home Loan secured over real property. The key attributes are:</p> <ul style="list-style-type: none"> • Loan amounts of between \$5,000 and 80% of property value • Loan terms of up to 7 years |

- Principal and interest reducing repayment
- Variable interest rate
- Repayment frequency can be weekly, fortnightly or monthly
- Ability to make additional repayments
- Redraw facility to redraw advance repayments
- Free online and mobile banking redraws (fee applies for in branch redraw transactions)
- Must provide a registered first mortgage over real property or other acceptable security
- Internet Banking access
- Banking App access
- Telephone Banking access
- Direct Credits, Periodical Payments, Payroll Allocations or Online Deposits

Classes of consumers for whom the product is clearly unsuitable

This product is not suitable for retail clients who:

- Are unable or unwilling to offer appropriate security;
- Need the certainty of a fixed interest rate and fixed repayments for the term of the loan;
- Would like to purchase/or own the property as owner occupiers;
- Are seeking to attach an offset facility;
- Are under the age of 18 years;
- Do not meet the credit assessment criteria for the product; or
- Do not wish to become a shareholding member of The Capricornian Ltd.

Distribution Conditions

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This product is distributed by the issuer through the following channels:

- Branches
- Mobile Lenders
- Call Centre
- Online (contact referral generation)

Distribution conditions for this product include:

- Ensuring that clients meet the eligibility conditions for the product
- Ensuring that distribution through Branches, Mobile Lenders and Call Centre is by appropriately authorised and trained staff
- Online Application - Form submission only

There are no other distributors for this product.

| Review Triggers | <p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> • A significant dealing of the product to consumers outside the target market occurs; • A significant number of complaints is received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate; or • A material change to the product or the terms and conditions of the product occurs, which would cause the TMD to no longer be appropriate. <p>The <i>Product Governance Framework</i> includes regular consideration of whether there has been a review trigger following each distribution information report. That consideration is by reference to paragraphs 154 to 156 of RG 274.</p> | | | | | | | | | | | | | | | |
|--|--|--|-------------|------------------|------------------------|---|--|------------|----------------------|----------------|---------------------------------|--------------------------------------|----------------|--------------------------------|--------------------------------------|----------------|
| Review Periods | <p>First review date: 30 June 2023</p> <p>Periodic reviews: After initial review, subsequent reviews are on an annual basis.</p> | | | | | | | | | | | | | | | |
| Distribution Information Reporting Requirements | <p>The Capricornian Ltd's Home Loans are not distributed by Third Parties. The Capricornian Ltd as the issuer and distributor of the this product will ensure that the following information is regularly monitored, reviewed and reported in relation to distribution conduct for this product:</p> <table border="1" data-bbox="443 1167 1437 1973"> <thead> <tr> <th>Type of information</th> <th>Description</th> <th>Reporting period</th> </tr> </thead> <tbody> <tr> <td>Significant dealing(s)</td> <td>Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)</td> <td>As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td>Complaints</td> <td>Number of complaints</td> <td>Every 3 months</td> </tr> <tr> <td>Sales outside the target market</td> <td>Number of sales \$ value of sales</td> <td>Every 3 months</td> </tr> <tr> <td>Sales inside the target market</td> <td>Number of sales \$ value of sales</td> <td>Every 3 months</td> </tr> </tbody> </table> | Type of information | Description | Reporting period | Significant dealing(s) | Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD) | As soon as practicable, and in any case within 10 business days after becoming aware | Complaints | Number of complaints | Every 3 months | Sales outside the target market | Number of sales \$ value of sales | Every 3 months | Sales inside the target market | Number of sales \$ value of sales | Every 3 months |
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