

Target Market Determination

Product	Personal Loan - Secured Variable Rate
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"> • Reside in Australia; • Are aged 18 years or more and meet the credit assessment criteria for the product; • Are seeking a loan for a worthwhile purpose including to make a purchase or to consolidate an existing debt; • Are able and willing to offer acceptable security totalling at least the value of the loan, so as to secure a lower interest rate; • Need the flexibility to make additional repayments and a contractual right to redraw advance repayments as required; • Are wanting a competitive rate that moves with market changes; 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 a secured variable rate personal loan. The key attributes are:</p> <ul style="list-style-type: none"> • Security =<7 years old • Loan amounts between \$3,000 and \$100,000 • Loan terms of up to 5 years • Variable interest rate • Acceptable security totalling at least the value of the loan must be provided • Repayment frequency can be weekly, fortnightly and monthly • The ability to make additional repayments • Redraw facility • Free online and mobile banking redraws (fee applies for in branch redraw transactions) • No penalty for extra payments or early payouts

	<ul style="list-style-type: none"> • No monthly loan fees (establishment fee applicable) • Internet Banking access • Banking App access • Telephone Banking access • Direct Credits, Periodical Payments, Payroll Allocations or Online Deposits <p>Classes of consumers for whom the product is clearly unsuitable</p> <p>This product is not suitable for retail clients who:</p> <ul style="list-style-type: none"> • Are unable or unwilling to offer sufficient security for the loan, so as to secure a lower interest rate; • Need the certainty of a fixed interest rate and fixed repayments for the term of the loan; • 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.
<p>Distribution Conditions</p>	<p>Distribution conditions</p> <p>This product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> • Branches • Mobile Lenders • Call Centre • Online (contact referral generation) • Broker <p>Distribution conditions for this product include:</p> <ul style="list-style-type: none"> • 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 <p>There are no other distributors for this product.</p>
<p>Review Triggers</p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate are:</p> <ul style="list-style-type: none"> • A significant dealing of the product to retail clients 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.

	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.															
Review Periods	<p>First review date: 16 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 Personal 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="440 725 1437 1532"> <thead> <tr> <th data-bbox="440 725 807 786">Type of information</th> <th data-bbox="807 725 1123 786">Description</th> <th data-bbox="1123 725 1437 786">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 786 807 1171">Significant dealing(s)</td> <td data-bbox="807 786 1123 1171">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 data-bbox="1123 786 1437 1171">As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td data-bbox="440 1171 807 1292">Complaints</td> <td data-bbox="807 1171 1123 1292">Number of complaints</td> <td data-bbox="1123 1171 1437 1292">Every 3 months</td> </tr> <tr> <td data-bbox="440 1292 807 1413">Sales outside the target market</td> <td data-bbox="807 1292 1123 1413">Number of sales \$ value of sales</td> <td data-bbox="1123 1292 1437 1413">Every 3 months</td> </tr> <tr> <td data-bbox="440 1413 807 1532">Sales inside the target market</td> <td data-bbox="807 1413 1123 1532">Number of sales \$ value of sales</td> <td data-bbox="1123 1413 1437 1532">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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