

Target Market Determination

Product	Housing Loan - Premium Choice Owner Occupied Fixed Rate Loan <ul style="list-style-type: none"> • 1 year ≤ 80% LVR • 2 years ≤80% LVR • 3 years ≤80% LVR • 1 year > 80% LVR • 2 years >80% LVR • 3 years >80% LVR
Issuer	<p>The Capricornian Ltd ABN/ACN 54 087 650 940 Australian Financial Service Licence / Australian Credit Licence 246780</p>
Date of TMD	<p>19 July 2024</p>
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: <ul style="list-style-type: none"> ○ purchase a new owner occupied home; ○ wanting to complete major renovations; or ○ refinance an existing home loan; • Are willing and able to offer a first registered mortgage over real property (or other acceptable security) as security for the loan; • Are seeking a fixed loan priced according to relevant LVR: <ul style="list-style-type: none"> ○ differing interest rate for loans; <ul style="list-style-type: none"> ▪ 1 year ≤ 80% LVR ▪ 1 year > 80% LVR ▪ 2 years ≤80% LVR ▪ 3 years ≤80% LVR ▪ 2 years >80% LVR ▪ 3 years >80% LVR; • Need the certainty of a fixed interest rate and fixed repayment for a period of the loan term;

- Not looking at paying out their home loan or making large reductions within a short period of time; and
- Is currently or wishes to become a shareholding member of The Capricornian Ltd.

Interest only loans

Retail clients who additionally:

- Need an interest only period whilst selling other owner occupied property.

Principal & Interest reducing loans

Retail clients who additionally:

- Need to make regular repayments of interest and principal over the term of the loan.

Description of product, including key attributes

This is a Premium Choice Owner Occupied Fixed Rate Home Loan secured over real property. The key attributes are:

- Loan amounts over \$50,000 and up to 97% of the property value (Lenders Mortgage Insurance applicable over 80% LVR)
- Loan terms of up to 30 years (subject to age of borrower)
- Principal and interest repayments
- Available for interest only repayments to approved applicants a margin of 0.50% applies
- Fixed interest rate/certainty on interest rates
- Repayment frequency can be weekly, fortnightly or monthly
- 100% offset account available
- No monthly loan fees (establishment fee applicable)
- 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
- Additional repayments up to \$9,999.99 without penalty in any 12 month period
- Fixed interest rate terms of 1, 2 and 3 years

	<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 without capacity (without appropriate representation) to be bound by contract • Are unable or unwilling to offer appropriate security; • Need to purchase a property over eight (8) hectares • Would like to purchase/or own the property for investment purposes; • Would like to access advance funds by way of redraw; • Would like to pay their loan off quickly within a short period; • Would like to pay progressive payments for a construction of a home; • Would like to make bulk or increased regular payments; • Would like an interest rate that moves with market changes; • 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 • The Capricornian Broker Network relationships <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, Call Centre, Online and Brokers is by appropriately authorised and trained staff <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 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>															
<p>Review Periods</p>	<p>Initial Review:</p> <p>Within twelve (12) months of the effective date.</p> <p>Periodic reviews:</p> <p>Review to be undertaken annually after the initial commencement date.</p>															
<p>Distribution Information Reporting Requirements</p>	<p>Distribution of the Premium Choice Owner Occupied Fixed Rate Loan can be provided through all channels which include, in branch, online, by phone or through our broker network relationships and will be undertaken by accredited lending staff. Marketing of the Premium Choice Owner Occupied Fixed Rate Loan may include website and other media channels such as online, radio, TV, print and paper articles.</p> <p>The Capricornian Ltd as the issuer and distributor of 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 1070 1437 1877"> <thead> <tr> <th data-bbox="440 1070 807 1133">Type of information</th> <th data-bbox="807 1070 1123 1133">Description</th> <th data-bbox="1123 1070 1437 1133">Reporting period</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1133 807 1518">Significant dealing(s)</td> <td data-bbox="807 1133 1123 1518">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 1133 1437 1518">As soon as practicable, and in any case within 10 business days after becoming aware</td> </tr> <tr> <td data-bbox="440 1518 807 1637">Complaints</td> <td data-bbox="807 1518 1123 1637">Number of complaints</td> <td data-bbox="1123 1518 1437 1637">Every 3 months</td> </tr> <tr> <td data-bbox="440 1637 807 1756">Sales outside the target market</td> <td data-bbox="807 1637 1123 1756">Number of sales \$ value of sales</td> <td data-bbox="1123 1637 1437 1756">Every 3 months</td> </tr> <tr> <td data-bbox="440 1756 807 1877">Sales inside the target market</td> <td data-bbox="807 1756 1123 1877">Number of sales \$ value of sales</td> <td data-bbox="1123 1756 1437 1877">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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