

Target Market Determination

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| Product | Personal Loan - Fully Secured Personal Loan |
| Issuer | <p>The Capricornian Ltd trading as The Capricornian Bank</p> <p>ABN/ACN 54 087 650 940</p> <p>Australian Financial Service Licence / Australian Credit Licence 246780</p> |
| Date of TMD | 5 June 2025 |
| Target Market | <p>Description of target market</p> <p>Retail clients who:</p> <ul style="list-style-type: none"> • Are an Australian resident; Are aged 18 years or more and meet the credit assessment criteria for the product; • Are seeking a loan to purchase a brand new motor vehicle, motor bike, boat, jet ski caravan and/or a motor home; • Are able and willing to offer the item purchased as acceptable security for the loan, so as to secure the personal loan interest rate – security value must be more or equivalent to the value of the loan; • 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"> • New Security • Loan amounts between \$3,000 and \$200,000 • Loan terms of up to 7 years • Variable interest rate • Acceptable security totalling the value of the loan must be provided or greater • Repayment frequency can be weekly, fortnightly and monthly • The ability to make additional repayments • Redraw facility • Free redraws • No penalty for extra payments or early payouts • No monthly loan fees (establishment fee applicable) • Internet Banking access |

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| | <ul style="list-style-type: none"> • Banking App 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 without capacity (without appropriate representation) to be bound by contract; • Are unable or unwilling to offer suitable security for the loan, so as to secure a lower interest rate; • Borrowers who require a loan less than \$3,000; • 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. |
| Distribution Conditions | <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 • 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 <p>Ensuring that distribution through Branches, Mobile Lenders and Call Centre and Brokers is by appropriately authorised and trained staff. There are no other distributors for this product.</p> |
| Review Triggers | <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 |

| | <ul style="list-style-type: none"> • 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 2025</p> <p>Periodic reviews: After initial review, subsequent reviews are on an annual basis.</p> | | | | | | | | | | | | | | | |
| Distribution Information Reporting Requirements | <p>Distribution of the Fully Secured Personal Loan can be provided through all channels which include, in branch, online, by phone or through our broker network relationship and will be undertaken by accredited lending staff. Marketing of the Fully Secured Personal 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="436 1033 1429 1830"> <thead> <tr> <th data-bbox="436 1033 794 1100">Type of information</th><th data-bbox="794 1033 1111 1100">Description</th><th data-bbox="1111 1033 1429 1100">Reporting period</th></tr> </thead> <tbody> <tr> <td data-bbox="436 1100 794 1471">Significant dealing(s)</td><td data-bbox="794 1100 1111 1471">Date or date range of the significant dealing(s) and description of the significant dealing (e.g., why it is not consistent with the TMD)</td><td data-bbox="1111 1100 1429 1471">As soon as practicable, and in any case within 10 business days after becoming aware</td></tr> <tr> <td data-bbox="436 1471 794 1605">Complaints</td><td data-bbox="794 1471 1111 1605">Number of complaints</td><td data-bbox="1111 1471 1429 1605">Every 3 months</td></tr> <tr> <td data-bbox="436 1605 794 1740">Sales outside the target market</td><td data-bbox="794 1605 1111 1740">Number of sales \$ value of sales</td><td data-bbox="1111 1605 1429 1740">Every 3 months</td></tr> <tr> <td data-bbox="436 1740 794 1830">Sales inside the target market</td><td data-bbox="794 1740 1111 1830">Number of sales \$ value of sales</td><td data-bbox="1111 1740 1429 1830">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 (e.g., 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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| Date | Version | Nature/Purpose of Review/Amendment | Reviewer |
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| 10/01/2025 | 1.01 | Review | Senior Manager Credit Risk & Compliance |
| 18.02.25 | 1.02 | Review – remove online for old products | Executive Assistant |
| 05/06/2025 | 1.03 | Review – Increase of Maximum DLA | Product & CDR Officer |
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