

## Target Market Determination

Product	<b>Business Overdraft</b>
<b>Issuer</b>	<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>
<b>Date of TMD</b>	21 October 2025
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>Business clients who:</p> <ul style="list-style-type: none"> <li>• Are 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;</li> <li>• Are seeking a facility which can be used for personal investment purposes;</li> <li>• Are seeking a continuing credit facility to make purchases, pay bills and to manage their cashflow needs for a business;</li> <li>• Are seeking a relatively high credit limit to cover large and persistent fluctuations in cashflow;</li> <li>• Are willing and able to offer a first registered mortgage over real property as security for the Business Overdraft facility;</li> <li>• Have sufficient equity in the security; and</li> <li>• Is currently or wishes to become a shareholding member of The Capricornian Ltd.</li> </ul> <p><b>Description of product, including key attributes</b></p> <p>This is a Business Overdraft facility. The key attributes are:</p> <ul style="list-style-type: none"> <li>• Continuing credit facility</li> <li>• Credit limit over \$100,000 and up to 75% of the security property value</li> <li>• Variable interest rate</li> <li>• Monthly Overdraft Service Fee</li> <li>• Establishment fee applicable</li> <li>• For use by owner occupiers and investors</li> <li>• No minimum repayments applicable, however facility must be maintained within its limit.</li> <li>• Must provide a registered first mortgage over real property or other acceptable security</li> <li>• Internet Banking access</li> <li>• Banking App access</li> </ul>

	<ul style="list-style-type: none"> <li>• Direct Credit, Periodical Payments, Payroll Allocations or Online Deposits</li> <li>• Apple Pay</li> <li>• Google Pay</li> <li>• Withdrawals at any time, for any amount up to the facility limit (subject to maximum access limits outlined within The Capricornian Ltd's Conditions of Use)</li> </ul> <p><b>Classes of consumers for whom the product is clearly unsuitable</b></p> <p>This product is not suitable for Business clients who:</p> <ul style="list-style-type: none"> <li>• Are without capacity (without appropriate representation) to be bound by contract</li> <li>• Are unable or unwilling to offer appropriate security;</li> <li>• Security being offered is over eight (8) hectares Need the certainty of a fixed interest rate and fixed repayments;</li> <li>• Need a loan facility that actively decreases the loan (amortising loan);</li> <li>• Do not have sufficient equity in their mortgage property;</li> <li>• Are under the age of 18 years;</li> <li>• Do not meet the credit assessment criteria for the product; or</li> <li>• Do not wish to become a shareholding member of The Capricornian Ltd.</li> </ul>
<b>Distribution Conditions</b>	<p><b>Distribution conditions</b></p> <p>This product is distributed by the issuer through the following channels:</p> <ul style="list-style-type: none"> <li>• Branches</li> <li>• Mobile Lenders</li> <li>• Call Centre</li> <li>• Online</li> <li>• The Capricornian Broker Network relationships</li> </ul> <p><b>Distribution conditions for this product include:</b></p> <ul style="list-style-type: none"> <li>• Ensuring that clients meet the eligibility conditions for the product</li> </ul> <p>Ensuring that distribution through Branches, Mobile Lenders, Call Centre, Online and Brokers is by appropriately authorised and trained staff. There are no other distributors for this product.</p>
<b>Review Triggers</b>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to consumers outside the target market occurs;</li> </ul>

	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul> <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>															
<b>Review Periods</b>	<p><b>First review date:</b> 21 October 2025</p> <p><b>Periodic reviews:</b> After initial review, subsequent reviews are on an annual basis.</p>															
<b>Distribution Information Reporting Requirements</b>	<p>The Capricornian Ltd's Business Overdraft 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.</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 1028 1429 1897"> <thead> <tr> <th data-bbox="436 1028 801 1089">Type of information</th><th data-bbox="801 1028 1119 1089">Description</th><th data-bbox="1119 1028 1429 1089">Reporting period</th></tr> </thead> <tbody> <tr> <td data-bbox="436 1089 801 1538">Significant dealing(s)</td><td data-bbox="801 1089 1119 1538">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="1119 1089 1429 1538">As soon as practicable, and in any case within 10 business days after becoming aware</td></tr> <tr> <td data-bbox="436 1538 801 1650">Complaints</td><td data-bbox="801 1538 1119 1650">Number of complaints</td><td data-bbox="1119 1538 1429 1650">Every 3 months</td></tr> <tr> <td data-bbox="436 1650 801 1785">Sales outside the target market</td><td data-bbox="801 1650 1119 1785">Number of sales \$ value of sales</td><td data-bbox="1119 1650 1429 1785">Every 3 months</td></tr> <tr> <td data-bbox="436 1785 801 1897">Sales inside the target market</td><td data-bbox="801 1785 1119 1897">Number of sales \$ value of sales</td><td data-bbox="1119 1785 1429 1897">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
21/10/2025	V1.0	New TMD	Product & CDR Officer