

TMD for Lannock Loan Products

Target Market Determination Lannock Strata Finance Loans
Issuer: Lannock Capital 2 Pty Ltd (“Lannock”)
ABN: 153 391 283 Credit Licence No: 412905
Effective Date: 5 th October 2021
Version: April 2026

REF. TMD	PRODUCT TYPE:	Lannock Strata Loan Products
Target Market Determination		
1.0	Overview	<p>What is a Target Market Determination?</p> <p>A Target Market Determination (TMD) describes the customers that a financial product is targeted at (the Target Market) and any distribution conditions. It also describes the events or circumstances which require us to review the TM.</p> <p>Why does Lannock need to have a Target Market Determination?</p> <p>This TMD is required under the Design and Distribution Obligations in the <i>Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019</i>.</p> <p>Products Covered by this TMD</p> <p>This TMD applies to the following Lannock Strata Loan products:</p> <ul style="list-style-type: none"> ▪ Multi-Drawdown Facility Loan ▪ Levy Assist Loan ▪ Insurance Premium Funding Loan ▪ Project Remediate Cladding Loan ▪ ACT Government Concessional Cladding Loan
2.0	Target Market for products	<p>Target Market</p> <p>Strata Corporations: corporations, entities or other bodies established under each Australian state’s strata and community title legislation to manage strata, stratum, community, company, neighbourhood or other shared property or co-ownership schemes.</p>

REF: LAN-OPS-TMD-003

		<p>Company Title Schemes: property ownership schemes where a company owns the land and building, and individuals own shares in that company.</p> <p>(Together “the Corporations”).</p> <p>This table matches the Product Attributes to the Objectives and Needs of the Target Market for these products.</p>
	Objectives and Needs of Strata Corporations	<p>Requires funds, has the statutory power to borrow, and has passed legislatively compliant resolutions to borrow for:</p> <ul style="list-style-type: none"> ▪ Building repairs and maintenance ▪ Renovations and improvements ▪ Defect remediation ▪ Green/sustainability projects ▪ Strata insurance premiums ▪ Professional services ▪ Litigation costs ▪ Working capital
	Product Attributes of Lannock’s Loans	<p>Term</p> <ul style="list-style-type: none"> ▪ Up to 20 years – provides the ability to match financial term to the life of the capital investment, unlike other forms of funding the Objectives and Needs <p>Interest Rate</p> <ul style="list-style-type: none"> ▪ Variable interest rate – repayments may increase or decrease with rate changes <p>Government-backed financing schemes offer special rates:</p> <ul style="list-style-type: none"> ▪ Project Remediate: Interest-free ▪ ACT Concessional Loan: Discounted interest rate <p>Repayments</p> <ul style="list-style-type: none"> ▪ Monthly repayments of principal and interest ▪ Flexible terms – make additional payments anytime without penalty ▪ Interest-only option available for agreed periods <p>Security</p> <ul style="list-style-type: none"> ▪ For strata corporations borrowing is unsecured – no mortgages, liens, charges, caveats or guarantees required from lot or unit

		<p>owners. Company titled properties will be required to grant security over assets.</p> <p>Other Benefits</p> <ul style="list-style-type: none"> ▪ Draw funds as needed during the Availability Period ▪ No early repayment penalties ▪ Only pay interest on funds actually drawn
	Who are our products NOT for?	<ul style="list-style-type: none"> ▪ Individual lot owners ▪ non-strata corporations /non-company title buildings ▪ Entities without levy collection capacity
3.0	Financial Situation	<p>The Financial Situation of the Target Market are strata corporations and company titled properties that meet Lannock’s credit assessment criteria which include:</p> <ul style="list-style-type: none"> ▪ in the case of strata corporations, they must have the legislative power to borrow for the purpose of the loan and have passed valid Resolutions to do so ▪ In the case of company titled properties, they must have the power to borrow for the purpose of the loan and to grant security over the assets of the company title ▪ Lannock considers that its processes, including its credit assessment processes, will ensure the product meets the Financial Situation of the Target Market.
4.0	Eligibility Criteria	<p>Customers must be strata corporations or company titled properties which meet Lannock’s assessment criteria which includes:</p> <ul style="list-style-type: none"> ▪ establishing their legal status as either strata corporations or company titled properties ▪ in the case of strata corporations evidencing that the members have passed a valid resolution empowering the strata corporation to enter into a contract to borrow money to meet expenditure that it is permitted by law to incur ▪ in the case of company titled properties evidencing the legal entity has the power to borrow and to grant security over its assets and that it has passed valid resolutions to do so

Distribution Conditions		
5.0	How are these products distributed	<p>Lannock Strata Finance 2 Pty Ltd is the loan originator and only Lannock's staff are authorised to distribute the products. Lannock's staff are trained in the product and how to meet Lannock's qualification requirements including our policies and procedures, and regulatory obligations.</p> <p>Lannock may accept referrals from third parties, we then take carriage of distribution to the customer.</p>
6.0	Referrer Requirements	<p>Referrers may only:</p> <ol style="list-style-type: none"> 1) Inform their customers that Lannock is a provider of credit facilities to strata schemes which may meet the needs of the customers in relation to working capital or capital works; and 2) Inform those clients of how Lannock may be contacted. <p>Referrers must not:</p> <ol style="list-style-type: none"> 1) Assist a customer to complete application forms; 2) Suggest or recommend any specific product; 3) Require or ask the customer to pay any person a fee in relation to the referral; 4) Suggest that they can influence Lannock's credit decisions; 5) Make any untrue or misleading statement in connection with a referral; or 6) Conceal from Lannock any information which might make Lannock decline an application from the customer. <p>Additionally, Referrers must comply with</p> <ol style="list-style-type: none"> 1) the terms and conditions of the Referral Agreement all relevant laws including: <ul style="list-style-type: none"> ▪ National Consumer Credit Protection Act 2009 ▪ Privacy Act 1988 ▪ Competition and Consumer Act 2010 ▪ State strata legislation ▪ Corporations Act 2001 (Cth) ▪ ASIC regulations
7.0	Performance Review Triggers	<p>If any of these review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, Lannock will undertake a review of this TMD:</p> <ul style="list-style-type: none"> ▪ There are legislative or regulatory changes impacting the TMD ▪ There are unexpected trends in customer outcomes which are significantly inconsistent with the intended product performance ▪ We receive a product intervention power order from ASIC requiring Lannock to immediately cease distribution <p>In any case, Lannock will review the TMD annually in March</p>

8.0	More Information	<p>Questions or Complaints</p> <p>Website: www.lannockstratafinance.com</p> <p>Complaints Process: www.lannockstratafinance.com/terms-and-conditions</p> <p>Additional Resources</p> <p>Visit our website for:</p> <ul style="list-style-type: none"> ▪ Loan application process ▪ Funding proposals ▪ Case studies
9.0	Important Information	<p>The Corporation's Responsibilities</p> <p>Before taking out a loan, ensure the corporation:</p> <ul style="list-style-type: none"> ▪ Understands the variable interest rate and potential repayment changes ▪ Has capacity to meet repayments from levy income ▪ Has proper authority under strata/company title legislation ▪ Has reviewed all loan documentation carefully and made a valid decision to proceed. <p>Need Help?</p> <p>If you're unsure whether our products are right for your strata corporation or company title, please contact us to discuss your circumstances.</p>