

TARGET MARKET DETERMINATION

MORTGAGE IMPAIRMENT PROTECTION

Effective Date: 11 August 2026

Last Reviewed Date: 11 August 2026

This Target Market Determination (**TMD**) has been designed to help our members, potential members, staff and distributors understand who the Our Guard Mortgage Impairment Protection Product (**the product**) is most suitable for (**target market**). This TMD has been prepared by Picnic Services Pty Ltd (**the Manager**) ACN 638 145 418 as Authorised Representative of Picnic Licensing Pty Ltd ACN: 647 642 117 (AFSL No: 532540) for and on behalf of Our Guard Mutual Limited ACN 652 207 808 (**Our Guard**). We may review this TMD at any time.

This TMD also provides information about:

- who this product is not suitable for;
- how this product will be distributed to members;
- how often we will review this TMD;
- what information we need to decide if the TMD is no longer appropriate;
- our reporting obligations; and
- other matters relevant to the product's distribution and review.

In this TMD, the terms “we”, “us” or “our” refer to Our Guard Mutual Limited. When making a decision about this product, members and potential members should consider the Product Disclosure Statement (**PDS**) and Financial Services Guide (**FSG**) to decide whether this product is right for them. The PDS and FSG can be found at www.ourguard.com.au. Any capitalised terms in this TMD which are not defined have the same meaning given in the PDS and FSG.

The term “Distributor” refers to Picnic Distribution Pty Ltd ACN: 652 925 294 (AR No: 1300250) an Authorised Representative of Picnic Licensing Pty Ltd.

Mortgage Impairment Protection

Below is a description of the key terms, features and attributes that affect whether this product is likely to be suitable for a given person's needs, objectives and circumstances, and which therefore affect the determination of the target market.

Refer to the PDS for full details of product protection and limits. This product is subject to our acceptance criteria – see key examples described under the heading “Distribution of this product”.

Key feature	Description of feature
Discretionary Risk Protection	This Protection is a discretionary business risk product. This means it is not a contract of insurance, does not give the

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Key feature	Description of feature
	certainty of a contract of insurance, and is not suitable for people who require a contract of insurance.
Mortgage Impairment Protection	Mortgage Impairment protection includes protection for loss following the sale of Mortgaged Property by or on behalf of a mortgagee provided that: • The borrower has defaulted on the mortgage payments after the Mortgaged Property has been Damaged; and • Damage to the Mortgaged Property arises from a Protected Cause of Loss; and • The mortgagee has complied with the prescribed Property Insurance Requirements ; and • Loss results from: ○ the refusal or inability of an insurer, for any reason including fraud or misrepresentation by the mortgagor, to meet any claim under an Insurance Policy for Damage to the Mortgaged Property; or ○ the failure of the borrower to effect and maintain an Insurance Policy; or ○ an accidental error or omission by the mortgagee or its employees in procuring and maintaining a valid Insurance Policy over the Mortgaged Property; This means the product is suitable for mortgage lenders who need protection against loss from mortgage defaults following damage to mortgaged property.

Target Market

The Our Guard Mortgage Impairment Protection has been designed for Australian Customer-Owned Authorised Deposit-Taking Institutions (**ADIs**) who need protection against financial loss caused by default on mortgaged following damage to mortgaged property.

It is suitable for people who are eligible to become a member of Our Guard and whose likely objectives, financial situation and needs are described below.

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Likely objectives, financial situation, and needs	
Objectives	Members of Our Guard who operate banking businesses and in the course of those operations have exposure to mortgage lending risks and are seeking to financially protect themselves against the types of losses and liabilities described in the section above.
Financial situation	Members of Our Guard who operate banking businesses and who are likely to experience a significant financial burden as a consequence of exposure to mortgage lending risks and do not have the resources or desire to 'self-insure' those risks but have the financial resources to pay for the annual cost of Protection.
Needs	Members of Our Guard who operate banking businesses and who are willing to use a mutual discretionary risk protection product, allowing them to pool their Contributions with other members and share the risk of claims being made by other members with similar business operations. Members of Our Guard who operate banking businesses and who can improve their buying power and achieve a lower cost of risk protection by using a discretionary mutual risk protection product instead of insurance and are willing to have their claims considered at the discretion of Our Guard's Board and in accordance with their rights in Our Guard's Constitution.

The Protection is only suitable for a person with the objectives, financial situation and needs described above because:

- It provides cover for the types of loss events that people in the Target Market are seeking to be protected against; and
- It is designed for people who require protection with the key attributes described above.

Each person will need to consider whether Protection meets their own objectives, financial situation and needs.

This product is not suitable for members who:

- ✗ are outside of Australia;
- ✗ would like protection for mortgage loans for property that is damaged by flood, earthquake, volcano or actions of the sea.
- ✗ would like protection for mortgage loans for property that is part of a strata title;
- ✗ would like protection for mortgage loans where the mortgagor default is not caused by damage to the mortgaged property; or
- ✗ require a contract of insurance.

Distribution of this Protection

This product can only be purchased by existing and potential members of Our Guard. The product is distributed to new members via direct dealings with Our Guard and the Manager or Distributor or via a suitably licensed broker. Brokers that may distribute Our Guard products are restricted to those who

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are authorised to deal in or arrange miscellaneous financial risk products under their AFS Licence and have been chosen to distribute the product because of the knowledge, skill and experience they have in distributing miscellaneous financial risk products and their relationships with existing and potential new members. Brokers who do not hold the relevant AFS Licence authorisation may only act in a referral capacity.

Our Guard has distribution conditions in place to ensure that this product is only sold to members and potential members in the target market. These conditions include measures such as:

- Only distributing the product direct or through brokers with relevant expertise to identify whether a person will meet the eligibility criteria for membership and whether they have the likely objectives, financial situation and needs described in this document.
- Understanding the business of the potential member, so that the product covered by this TMD is only provided to those members that are Australian Customer-Owned ADIs.
- Production and distribution of materials that explain and document the protection that are designed for consumers in the target market.
- Analysis of review triggers and other suitability data in the formation of renewal decisions.
- Systems and processes that support our suitability and eligibility assessments, and the delivery of other information relevant to the consumer's understanding of the product.
- Controls on marketing and sales conduct to those outside the target market.

Reviewing this document

It is important that we review this TMD to make sure it is appropriate for the needs of existing and potential members. We will conduct the initial review of this TMD within 1 year from the effective date to ensure it remains appropriate. The TMD will then be reviewed on an ongoing annual basis.

Certain events and circumstances taking place could mean that a review should take place earlier than the annual review. This is because the TMD may no longer be appropriate or the product is no longer consistent with the likely objectives, financial situation and needs of consumers in the Target Market. These events and circumstances are called review triggers. Below is a list of review triggers for this TMD:

- A material change occurs to the cover provided by the product;
- Our acceptance criteria changes and that impacts the suitability of the product for the Target Market;
- The distribution of the product changes;
- A relevant and material deficiency in the product's disclosure documentation is discovered which reasonably suggests that the TMD is no longer appropriate;
- Systemic issues or complaints which reasonably suggest that the TMD is no longer appropriate;
- Distribution conditions, systematic issues or complaints which reasonably suggest that the TMD is no longer appropriate;
- Material and relevant reductions in our key product suitability metrics such as:

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- Member satisfaction;
- Product acceptance;
- Financial performance;
- Benefits to members; or
- Product value and affordability,

which we collect and the data reasonably suggests that the TMD is no longer appropriate.

- Feedback, orders or directions from a regulator or external dispute resolution body (such as the Australian Financial Complaints Authority) that suggests this TMD is no longer appropriate.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD within 10 business days of our decision.

Reporting

We will record all complaints received about this product which will be reviewed on a quarterly basis (Complaints Reporting Period). Any employees or brokers we engage with are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

The Manager will report to Our Guard on a monthly basis with incident-based reporting on key metrics (as set out above under the heading “Reviewing this document”). The Manager will also report sales data to on an ongoing basis including the number of products issued, renewed and cancelled.

The Manager and brokers are also required to report to Our Guard if the product is sold to a person who is not within the Target Market within 10 business days of becoming aware of the sale. If required, Our Guard will conduct the necessary reporting to ASIC within 10 days

Record Keeping

Our Guard and the Manager will maintain records of any actions they have taken to ensure that this product is distributed only to members and potential members in the Target Market. We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- The TMD for this product;
- Identifying and tracking review triggers;
- How we decide if a review trigger has taken place;
- How often we review this TMD;
- Setting review periods; and
- The matters documented in this TMD.