

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

THIS SUPPLEMENTARY PDS IS DATED 1 MAY 2008

Capricorn Mutual Limited

Important Changes To Your PDS

CML has made changes to your Product Disclosure Statement (PDS) dated 4 September 2003, (as updated by Supplementary PDS dated 21st December 2006).

This Supplementary PDS should be read together with your PDS and any other relevant Supplementary PDS CML has or may give you. Please keep it in a safe place with your PDS together with your Schedule of Protection.

Capricorn Mutual Limited ABN 24 104 601 194, AFS Licence No 230038 (CML) is the product issuer of the products referred to in the PDS and in this Supplementary PDS. The product (being the membership of CML and the protections it offers) falls within ASIC's classification of a 'Miscellaneous Mutual Risk' product.

How to contact CML

By telephone: Australia 1800 007 022 or New Zealand 0800 555 303

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Part 1 — Introducing Capricorn Mutual

The Changes to Part 1 of CML's PDS are as follows:

Appointment of new manager

CML has appointed a new manager and new corporate authorised representative to manage the mutual and provide financial services on its behalf. The new manager is Capricorn Mutual Management Pty Limited (CMM). CMM's Australian Financial Services (AFS) authorised representative number is 324456.

The appointment of CMM will take effect on 1st May 2008. This supplementary PDS makes changes to the PDS to reflect the appointment of CMM from this date.

Part 1 of the PDS

From 1st May 2008, Part 1 of the PDS should be read with the following changes included:

- The words 'Charles Taylor Consulting (Australia) Pty Ltd' are deleted and replaced with 'Capricorn Mutual Management Pty Limited'.
- The words 'CTC' are deleted and replaced with 'CMM'.
- The words 'authorised representative number 232392' are deleted and replaced with 'authorised representative number 324456'.

Page 2: Management of Capricorn Mutual

From 1st May 2008, page 2 of the PDS should be read with the following change included:

The sentence 'CTC does not receive any commission or any other payment for its services. CTC receives a fixed annual management fee for the services it provides to Capricorn Mutual' is deleted and replaced with:

CMM will be paid based on an annual budget approved by the CML board. Twelve (12) equal instalments will be paid monthly in advance, with the first payment due on the 1 July 2008. Depending on performance, the fee paid to CMM may also include an annual bonus fee first payable after 1 July 2009. If payable, the annual bonus fee will be equivalent to 20% of the audited surplus of CML for the prior financial year ending 30 June. The audited surplus is defined as that amount appearing in the Statutory Annual Financial Report as profit before income tax.

Page 4: Membership of Capricorn Mutual

From 1st May 2008, page 4 of the PDS should be read with the following change included:

The sentence 'CTC will use its experience in developing and managing mutuals to develop guidelines appropriate to Capricorn Society members' is deleted.

