TARGET MARKET DETERMINATION

Issuer	*Astute Motor Finance Pty Ltd*
Issuer ABN	*48 136 986 457*
Issuer ACL	*385465*
Product	*Unsecured Fixed Rate Loan* **("the Product")**
Date TMD approved	*4/10/2021*
TMD Version	*1.1*
TMD Status	Current

Purpose of this Document

The purpose of this Target Market Determination (**"TMD")** is to comply with the Design and Distribution Obligations incorporated under Chapter 7 of the *Corporations Act* 2001 (**"the Act")** by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act* 2019.

The TMD aims to provide consumers and distributors with information about the class of consumers that comprises the target market for the Product, taking into account their objectives, financial situation and needs. It also specifies any Product distribution conditions and restrictions and deals with reviews of the TMD as well as distributor arrangements.

Legal Disclaimer

This document is not a credit disclosure document and does not include all relevant terms and conditions associated with this Product. It does not take into account any person's individual objectives, financial situation or needs. Individuals interested in making use of this product should carefully read the Issuer's Credit Guide and any other disclosure documents before making a decision whether to use this Product.

Description of Target Market

This section is required under section 994B(5)(b) of the Act.

Target Market Summary

This Product is likely to be appropriate for a consumer who:

- Need an amount of credit to purchase an auto or leisure asset for domestic or personal use; or
- Need an amount of credit to fund other worthwhile legal purposes (eg: Renovations, Repairs, Consolidation);
- Require repayments across a specified or agreed term; and
- Can service the principal balance of the loan and the fees and interest as it accrues;

The target market has been established by assessing the Product (including its key attributes) and the consumer objectives, financial situation and needs for which the Product is likely to be appropriate. The class of consumers who fall within the target market for the Product is described below, based on the objectives, financial situation and needs of the consumer and the key attributes of the Product.

Description of Consumer Objectives, Financial situation and Needs

This Product is suitable for persons who:

- Are over 18 years of age;
- Being a permanent resident of Australia or having an acceptable work visa (as determined by us);
- Seeking a loan of between $5001 and $50,000;
- Seeking a loan term of between 2 years and 5 years;
- Require flexible repayment options including weekly, fortnightly, monthly and the ability to repay the loan early; and
- Meet the lending eligibility and criteria.

Excluded Classes of Consumers

This Product is unsuitable for persons:

- Who do not qualify under the responsible lending requirements imposed by the *National Consumer Credit Protection Act* 2009 ("National Credit Act"), will be unable to comply with their financial obligations under the Product terms, or could only comply with substantial hardship.
- For whom the Product will not meet their requirements or needs.
- Have unpaid defaults in the last three (3) months;
- Have poor bank account conduct;
- Have regular financial and direct debit dishonours;
- Display multiple short term cash lender activity (pay day loans etc)
- Are currently full bankrupt; or
- Are not currently in control of their financial situation (Public Trust, 3rd Party Budgeting Arrangements)

Description of Product and Key Attributes

The key attributes of this Product are:

- Minimum Loan Amount $5001 and Maximum of $50,000
- Minimum Repayment Period 2 Years and Maximum 5 Years
- Unsecured Loans
- Fixed Interest
- Establishment Fee Charged - $475.00
- PPSR and Equifax Fees – Variable
- Monthly Account Keeping Fee - $15
- Early Termination Fee - $600 Reducing
- Dishonour Fees - $25
- Overdue and Default Letter Fees - $5

Product and Target Market Consistency

The Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market based on the following:

- The assessment that the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market is based on an analysis of the attributes and characteristics of the product and establishing that they are consistent with the likely requirements of consumers in the target market. An Astute Motor Finance Consumer

Unsecured Fixed Rate Loan is an unsecured loan which has been designed to assist consumers in purchasing an acceptable asset with a fixed periodic repayment amount and a fixed number of repayments over the term of the loan. It is also able to assist consumers who have an unencumbered asset and wish to use it as security on a loan to assist with a suitable purchase or purpose.

Distribution Conditions and Restrictions

This section is required under s994B(5)(c).

Distribution Methods

This product is distributed through the following channels:

- Astute Motor Finance Website;
- Direct Business Team;
- Broker Network; and
- Other authorised third-party referrers, with whom Finance One have a formal arrangement.

Distribution Conditions

This product is distributed subject to the following conditions and requirements:

- Distribution conditions include ensuring that consumers have the appropriate borrowing capacity and meet all the lending and eligibility criteria and requirements for the Product. Astute Motor Finance ensures that any information in relation to the Product is disseminated in a timely and readily accessible manner to all distributors and authorised internal staff.

Factors Considered

In assessing the appropriateness of the distribution methods, conditions and restrictions, the Issuer has taken into account the following factors:

- The comparatively wide target market for the Product
- The Issuer's ability to restrict distribution by providing sufficient lending guidelines and eligibility requirements
- The Issuer's ability to manage the distribution channels
- The capability of existing distribution methods to reach the intended target market, based on past outcomes
- known diligence, capabilities and the integrity of existing and prospective distribution methods and it's very small size

Reviewing the TMD

The Issuer will review this TMD as follows:

Review Triggers

This part is required under section 994B(5)(d) of the Act.

If events or circumstances occur that would reasonably suggest that the TMD is no longer appropriate, the Issuer will review the TMD. This may include:

- an event or circumstance that would materially change a factor taken into account in making the target market determination for the Product *(eg an external event such as a change in* *regulation, a substantial change in government benefits schemes rules resulting in reduced consumer income, etc.)*

- a material change to the design or distribution of the Product
- a significant dealing in the Product that is not consistent with the product's TMD
- the nature and extent of any feedback received from distributors or users of the product *[eg significant changes in customer complaints, loan default rates, etc.]*
- experiencing significant regulatory issues with industry bodies or government entities [*eg ASIC investigations]*

Mandatory Review Periods
This part is required under section 994B(5)(e) and (f) of the Act.

Initial Review: This TMD will be reviewed within 1 Year of the TMD approved date.

Periodic Reviews: This TMD will be reviewed at least every 2 Years from the initial review date.

Distributors: Reporting & Required Information

This part is required under s994B(5)(g) & (h).

Complaints

Distributors are required to report and detail in writing all complaints in relation to the Product covered by this TMD to the Issuer every *1 Year.*

Significant Dealings

Distributors are required to report any significant dealing in the Product that is not consistent with this TMD, within 10 business days.

Appropriateness of the TMD

This section is required under s994B(5)(c) and s994B(8)(a) &(b).

The Issuer has reviewed the Product and its key attributes by considering its purpose, past outcomes and likely future outcomes, and has reasonably concluded that the Product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, when offered to the consumer in accordance with the distribution conditions listed above. The comparatively wide target market of the Issuer has been a factor in assessing why the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed.