

## Target Market Determination

### For the PowerTorque Finance Personal Fixed Rate Car Loan (ABN 48 002 435 181)

#### 1. About this document

This target market determination (TMD) outlines to consumers and distributors the class of consumers for which this product has been designed, having regard to their objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the PowerTorque Finance Personal Fixed Rate Loan Contract Booklet – Standard Terms and Conditions and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

For further information on PowerTorque Finance's products, please refer to [www.powertorquefinance.com.au/finance/personal-car-loan](http://www.powertorquefinance.com.au/finance/personal-car-loan)

#### Terms and Conditions to which this target market determination applies

This TMD applies to the PowerTorque Finance Personal Fixed Rate Car Loan referred to in the Personal Fixed Rate Loan Contract Booklet – Standard Terms and Conditions.

#### Date from which this TMD is effective

5 October 2021

#### 2. Class of consumers that fall within this target market

This product is designed for a class of consumer who want finance to purchase a vehicle predominately for personal, domestic, or household use (including vehicle accessories, on-road costs and fees that can be financed), and want an interest rate that is fixed for the loan term.

| <b>Personal Fixed Rate Car Loan</b>           |   |
|---|---|
| <b>Product description and key attributes</b> | <p>The key attributes of the Personal Fixed Rate Car Loan are as follows:</p> <ul style="list-style-type: none"> <li>• Minimum amount to be financed is \$5,000;</li> <li>• Able to make extra repayments and reduce amount of interest payable;</li> <li>• Fixed interest rate for a customisable loan term to finance an eligible passenger or light commercial vehicle;</li> <li>• Loan terms available from 12 to 84 months;</li> <li>• Option to include a balloon payment at the end of the loan term (subject to eligibility and lending criteria); and</li> </ul> <div style="border: 1px solid black; padding: 2px;"> <p><b>A balloon payment</b> is a final payment in the form of a lump sum and is payable at the end of the loan term.</p> </div> <ul style="list-style-type: none"> <li>• At the end of the loan term, a consumer has full ownership of the vehicle (provided they have made all repayments under the loan contract, including any applicable balloon payment).</li> </ul> <p>For further information on the PowerTorque Finance Personal Fixed Rate Car Loan, visit <a href="http://www.powertorquefinance.com.au/finance/personal-car-loan">www.powertorquefinance.com.au/finance/personal-car-loan</a></p> |

#### Likely objectives, financial situation, and needs

The below table summarises the type of consumer that falls within the target market and the needs, objectives and financial situation that the product has been designed to meet.

## Personal Fixed Rate Loan

|                             |   |
|-----------------------------|---|
| <b>Class of Consumer</b>    | This product has been designed for consumers that are at least 18 years of age, meet PowerTorque Finance's eligibility and lending criteria, and want finance to purchase a vehicle predominately for personal, domestic, or household use.   |
| <b>Needs and objectives</b> | <p>This product has been designed for consumers who:</p> <ul style="list-style-type: none"> <li>• Want credit to finance a vehicle predominately for personal, domestic, or household use;</li> <li>• Want an interest rate that is fixed with a predetermined payment structure across the term of the loan;</li> <li>• Want access to repayment options (including weekly, fortnightly or monthly);</li> <li>• Want to own the vehicle from the beginning of the loan;</li> <li>• Want a loan that is secured against a vehicle;</li> <li>• Want to take unencumbered ownership of the vehicle at the end of loan term (subject to all repayments under the loan contract being met).</li> </ul>  |
| <b>Financial situation</b>  | <p>This product has been designed for consumers who:</p> <ul style="list-style-type: none"> <li>• Can pay the scheduled repayments, comprising principal payments, interest as it accrues, and the fees and charges associated with the purchase and financing of a vehicle; and</li> <li>• Want the option to select a loan <b>With balloon payment</b> or <b>Without a balloon payment</b>.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p><b>With balloon payment</b><br/>This option has been designed for consumers who seek to reduce repayments for the loan term and either intend to:</p> <ul style="list-style-type: none"> <li>• Pay the final balloon payment when it is due; or</li> <li>• Refinance the final balloon payment when it is due, because they are comfortable with paying higher amounts in interest overall in order to reduce repayments over the term.</li> </ul> </div> <div style="border: 1px solid black; padding: 5px;"> <p><b>Without balloon payment</b><br/>This option has been designed for consumers who:</p> <ul style="list-style-type: none"> <li>• Can afford higher repayments and do not wish to, or cannot afford to, pay a final balloon payment;</li> <li>• Seek to pay lower amounts in interest overall; and</li> <li>• Wish to pay off the loan as soon as possible without having to pay any lump sum or balloon payment.</li> </ul> </div> |

### Excluded class of consumers

This product has not been designed for consumers who want to:

- Part with possession or control of the vehicle by way of lease, transfer, assign or lend;
- Modify the vehicle in a way that may void any warranty or cause the vehicle to be unroadworthy, illegal or not fully covered by insurance;
- Transport the vehicle from mainland Australia or Tasmania; or
- Use the vehicle to provide commercial transport services, such as hire-car, or taxi.

### Consistency between target market and the product

This product is likely to be consistent with the likely objectives, needs and financial situation of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers.

## 3. How this product is to be distributed

### Distribution channels

This product is designed to be distributed through the following means:

- By our accredited Motor Vehicle Dealer network acting as agents for PowerTorque Finance under PowerTorque Finance's Australian Credit Licence; and
- Directly by PowerTorque Finance through the PowerTorque Finance National Direct Centre, either over the phone, via email or mail.

### Distribution conditions

This product should only be distributed to consumers that meet PowerTorque Finance's eligibility and lending criteria.

### Adequacy of distribution conditions and restrictions

PowerTorque Finance have determined that the distribution conditions and restrictions will make it likely that the consumers who purchase the product are in the class of consumers for which it has been designed. PowerTorque Finance consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

## 4. Reviewing this TMD

We will review this TMD in accordance with the below:

|                                  |   |
|----------------------------------|---|
| <b>Initial review</b>            | Within 12 months of the effective date.   |
| <b>Periodic reviews</b>          | At least every three years following the initial review to ensure it remains appropriate.   |
| <b>Review triggers or events</b> | <p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• A material change to the design or distribution of the product, including related product documentation and acceptance/lending criteria;</li><li>• The occurrence of a significant dealing;</li><li>• Distribution conditions found to be inadequate;</li><li>• Significant changes in metrics including, but not limited to, material adverse trends in internal delinquency data, cancellations, product switching, defaults on repayments, late repayments and/or complaints;</li><li>• Identified systemic issues in the product or across the product lifecycle;</li><li>• Material external events such as relevant litigation, adverse media coverage or regulatory attention which may suggest the TMD is no longer appropriate; or</li><li>• Relevant feedback, information or notification received from a distributor, regulatory body such as ASIC or APRA, or other interested parties.</li></ul> |

This TMD will be reviewed within 10 business days of the occurrence of any review trigger.

## 5. Reporting and monitoring this TMD

We may collect the following information from our distributors in relation to this TMD.

|                                  |   |
|----------------------------------|---|
| <b>Complaints</b>                | Distributors will refer all complaints in relation to the product covered by this TMD to Hino Financial Services as and when a complaint arises or the distributor becomes made aware of a complaint. |
| <b>Significant dealings</b>      | Distributors will report if they become aware of a significant dealing in relation to this TMD as soon as practicable but not more than 10 business days after.                                       |
| <b>System Controls</b>           | Hino Financial Services will review and assess the adequacy of distribution conditions and restrictions to ensure alignment with the TMD and that they are working effectively on a quarterly basis.  |
| <b>Transaction Data</b>          | Hino Financial Services will review transaction data relevant to the TMD on a monthly basis and report any significant dealing in relation to this TMD.   |
| <b>Sales Practice Monitoring</b> | Hino Financial Services will review the results of the bi-annual Compliance Competency Assessment and report any significant dealing in relation to this TMD.   |