

Target Market Determination: NOW Auto Loan

Issuer:	Now Finance Group Pty Ltd as agent for NF Finco 2 Pty Ltd (NOW Finance) ACN 164 213 030 Australian Credit Licence number 425142.
Start Date:	31 January 2024
Product:	NOW Auto Loan The NOW Auto Loan (the Loan) allows individuals to borrow funds to purchase a new or used motor vehicle, recreational vehicle or watercraft. Where the vehicle is an electric vehicles or plug-in hybrid electric vehicles, the Loan may be used to fund the technology to support the vehicle, including solar, battery storage or electric charging equipment. The Loan may also be used to fund accepted insurances related to the protection of the asset. The Loan is available for personal, domestic or household purposes only. The NOW Auto Loan offers a fixed interest rate and requires individuals to make regular repayments over a fixed term, with the option to make a lumpsum payment at the end of the Loan term.

Purpose of this Document

This target market determination (**TMD**) seeks to provide consumers, distributors and staff with an understanding of the class of consumers (target market) for which this product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

This document should not be treated as a full summary of the product's terms and conditions or all of the product's features. This document is not a customer disclosure document and does not provide financial advice.

Consumers should refer to the Credit Guide, Credit Schedule and the other documents setting out the terms and conditions of the product when making a decision about this product. These documents are provided to a consumer prior to the provision of credit. A copy of these documents can otherwise be requested by contacting us at: customerservice@nowfinance.com.au

Target Market and Key Attributes

The Loan is designed for the class of consumers who:

- wish to borrow a potentially large sum of credit from a non-bank lender to acquire a motor vehicle, recreational vehicle, watercraft, or eligible equipment for electronic vehicles, and insurance, and are able to provide an asset as security for the Loan;
- meet the eligibility requirements for the Loan (**Eligibility Requirements**), including:
 - being of 18+ years of age;
 - holding Australian citizenship or permanent residency;
 - currently employed (full time/ part time/ casual) and not on probation;
 - no defaults (paid or unpaid);
 - Centrelink is not the primary form of income;
 - not a current or prior bankrupt or party to a court judgement; and
- have the likely needs, objectives and financial situation described below (**Target Market**).

The NOW Auto Loan has been designed for customers with the following likely needs, objectives and financial situation:

Key Attributes of the NOW Auto Loan that make the product consistent with the likely objectives, financial situation and needs of consumers in the target market.

Objectives

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| <ul style="list-style-type: none"> • Obtain a potentially large lump sum which can be used to acquire the following assets for personal, domestic or household purposes: <ul style="list-style-type: none"> ○ Motor Vehicle (including utilities); ○ Motorcycle/ATV; ○ Boat/ PWC; ○ Caravan/ Campervan/ Motorhome; ○ Trailer/ Horse Float; ○ Where the asset is an electric and/or plug-in electric hybrid vehicle (EV Vehicle), technology to support the vehicle including solar, battery storage or electric charging equipment; and ○ Insurance related to the protection of the above assets. | <ul style="list-style-type: none"> • A NOW Auto Loan provides: <ul style="list-style-type: none"> ○ a single lump sum of credit (in other words it is not revolving credit); ○ a minimum sum of \$3,000 and a maximum sum of \$150,000, which is a sufficiently large sum to acquire these types of assets for personal, domestic or household purposes; ○ the ability to borrow an additional 10% of the value of the EV Vehicle, or up to \$10,000 (whichever is lesser) to fund charging technology to support the EV Vehicle funded under the Loan including solar, battery storage or electric charging equipment. |
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Needs

<ul style="list-style-type: none"> • Spread / smooth the repayments over an extended period of time 	<ul style="list-style-type: none"> • A NOW Auto Loan provides: <ul style="list-style-type: none"> ○ a term between 1.5 years to 7 years which is an extended period of time; and ○ weekly, fortnightly or monthly payments to smooth/spread the repayments.
<ul style="list-style-type: none"> • Need certainty of repayment amounts. 	<ul style="list-style-type: none"> • A NOW Auto Loan provides a fixed interest rate which allows repayment amounts to be the same and therefore certain.
<ul style="list-style-type: none"> • Needs an option to reduce the periodic repayment amount during the Loan term by paying a lumpsum balloon payment at the end of the Loan term. 	<ul style="list-style-type: none"> • A NOW Auto Loan provides an option for a customer to make lower repayments during the term of the Loan by paying a lumpsum payment at the end of the loan term.
<ul style="list-style-type: none"> • Need flexibility to make extra repayments or pay out the Loan early. 	<ul style="list-style-type: none"> • A NOW Auto Loan provides: <ul style="list-style-type: none"> ○ No extra repayment charges: customers can make early repayments during the Loan without any fees. ○ No early repayment charges: customers can pay out their Loan at any time without any fees or charges.

Financial situation

<ul style="list-style-type: none"> • Will acquire with the funds a motor vehicle, recreational vehicle, or watercraft to provide as security for the Loan. 	<ul style="list-style-type: none"> • Security: a customer is required to provide security for the Loaned amount.
<ul style="list-style-type: none"> • Have the financial capacity to service the Loan. 	<ul style="list-style-type: none"> • Now Finance analyses and assesses the suitability and affordability of the Loan to the consumer's needs and objectives when assessing an application for the Loan and conducts a credit assessment to confirm whether the consumer would have the financial capacity to service the ongoing financial obligations under the Loan.

Excluded customers

The NOW Auto Loan is not designed for individuals who:

- do not satisfy each of the Eligibility Requirements;
- do not have consistent income;
- want the interest rate to increase/decrease over the life of the Loan;
- want to be able to redraw any additional repayments made on the Loan;
- will not be acquiring a suitable asset to provide as security for the Loan;
- do not want the option of repaying a lumpsum at the end of the Loan term;
- are seeking a Loan amount of less than \$3,000 or more than \$150,000; and/or
- require an ongoing line of credit that can be redrawn up to the limit.

Distribution of the NOW Auto Loan

NOW Finance has the following distribution channels and applies the following conditions and restrictions to the distribution of the NOW Auto Loan through the channels so that this product is likely to be provided to customers who are in the target market.

NOW Finance does not directly distribute this product.

<p>Distribution Channel:</p>	<p>Third Party Distributions Channels</p> <p>Authorised third party distributors such as finance brokers and aggregators. (Distributors)</p>
<p>Distribution Conditions:</p>	<p>The NOW Finance Secured Personal Loan can only be distributed in accordance with the distribution conditions below.</p> <p>Third Party Distributors</p> <ul style="list-style-type: none"> • All Distributors must have entered into a written agreement with NOW Finance which controls what they can and cannot do in distributing the product including in relation to marketing materials. • All Distributors must hold an Australian Credit Licence or be an authorised Credit Representative and be accredited by NOW Finance. This means that they are regulated (or subject to regulatory requirements), have their own requirements to comply with regulatory requirements, are of good standing and insured. This allows these distributors to do more than simply provide product information, they can also market and have unscripted conversations with customers. • All Distributors must be trained by NOW Finance on the product features and attributes, eligibility requirements, target market and distribution to inform their conversations with

	<p>customers and so they can discharge their regulatory obligations. This training is also on the Eligibility Requirements for the Loan.</p> <ul style="list-style-type: none"> • To comply with their own regulatory obligations, all Distributors ask questions to assess the individual customer’s specific objectives, needs and financial situation and if they meet the eligibility criteria. <p>In all circumstances, a Loan cannot be provided to a consumer until NOW Finance has collected and verified required consumer information. As part of this process, NOW Finance will assess the suitability of the consumer and confirm whether the Loan will meet the consumers objectives and requirements.</p>
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Review of TMD

NOW Finance will review this TMD periodically to ensure it remains appropriate.

<p>Review Period</p>	<p>Initial Review: Within 12 months of the date of this TMD</p> <p>Ongoing Review: Within 12 months of the date of the previous review.</p>
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<p>Review Triggers</p>	<p>NOW Finance will also review this TMD if one or more of the following events occur:</p> <ul style="list-style-type: none"> • Material changes to the NOW Auto Loan terms and conditions; • Occurrence of a significant dealing (where the NOW Auto Loan is not consistent with this TMD); • If the distribution conditions are found to be inadequate; • If there is an external event such as adverse media coverage or regulatory attention; • If there is a significant change in metrics, including but not limited to, complaints, default rates and application rates.
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Information Reporting

Distributors or any ‘regulated person’ who engages in relation distribution conduct must provide NOW Finance the following information:

<i>Category</i>	<i>Information to be provided</i>	<i>How and When to Report</i>
Complaints	<p>Any complaints made in relation to the NOW Auto Loan including:</p> <ul style="list-style-type: none"> the number of complaints received during the reporting period (which may be 0) and; written details of any complaints in the form as instructed by Now Finance. 	<p>When to report:</p> <p>Within 10 days following the end of every six months.</p> <p>How to report:</p> <p>Reports should be made to: Head of Dispute Resolution by email at: disputeresolution@nowfinance.com.au</p>
Significant dealings	<p>Any significant dealing in relation to the NOW Auto Loan and this TMD</p>	<p>When to report:</p> <p>As soon as possible but no later than 10 days after the person becomes aware of the significant dealing.</p> <p>How to report:</p> <p>Reports should be made to the General Counsel by email at: legal@nowfinance.com.au</p>
Revision Management		
<i>Version</i>	<i>Start Date</i>	<i>Comment</i>
1.0	1 April 2022	TMD Issued

2.0	30 June 2023	TMD Updated
3.0	1 January 2024	TMD Updated
3.1	31 January 2024	TMD updated