

**Target Market Determination for Club Cheque Account  
Issued by Heritage Bank Limited**

Category	Description	
<b>Product:</b>	<b>Club Cheque Account</b> A low-cost account for non-profit organisations to perform transactions.	
<b>Product Inclusions:</b> The other facilities included with the product and covered by this determination	<b>Cheque Facility</b> A non-cash payment facility used to make payment to a specified payee or bearer.	
	<b>Periodical Payments</b> A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using funds held in the product.	
	<b>Direct Debits</b> A non-cash payments facility used to make payment using funds held in the product.	
	<b>BPAY</b> A non-cash payment facility used to make payment using funds held in the product on a platform operated by BPAY.	
	<b>Sweeps</b> A pre-approved automatic transfer of funds between nominated Heritage accounts where the consumer does not have sufficient clear funds in the account to be debited for a cheque transaction or a direct debit transaction.	
	<b>Fund Transfers</b> A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using funds held in the product.	
	<b>Fast Payments</b> A non-cash payment facility used to make payment to another Heritage account or an account at another financial institution using a "PayID" and the New Payments Platform (NPP).	
<b>Start Date:</b> Date the determination was made	5 October 2021	
<b>Version:</b>	1.0	
<b>Review Date:</b>	The first review, and each ongoing review, must be completed within each consecutive 1 year period from the Start Date.	
<b>Target Market:</b> Class of consumers that comprise the target market for the product	<b>Consumer Description:</b> This describes consumers in the target market	<b>Objectives &amp; Needs</b> A non-profit organisation that may seek a low cost account in which to deposit funds and to make day-to-day purchase and withdrawal transactions.  <b>Financial Situation</b> A non-profit organisation that may have access to funds to deposit into the account and to perform transactions, and pay associated fees when such amounts become due and payable.
	<b>Product Description:</b> This describes the product	A transaction account used to make transactions on behalf of a non-profit organisation for the organisation's purposes, with the following key attributes: <ul style="list-style-type: none"> <li>• the ability to use the account to deposit funds and to make day-to-day transactions; and</li> <li>• no account keeping or transaction fees but service fees apply.</li> </ul> In general, it is only available to consumers that meet eligibility criteria, such as a not for profit organisation that is incorporated or has a constitution.
	<b>Appropriateness Statement:</b> This explains why the product is consistent with the likely objectives, financial situation and needs of the target market	The product is appropriate for the target market on the basis that the key attributes of the product listed in this determination directly address the objectives, financial situation and needs of consumers in the target market as described in this determination.
<b>Distribution Conditions:</b> The conditions and restrictions on the distribution of the product	<b>Marketing and Promotion</b> This condition applies to marketing and promotional materials that describe the product	<b>Condition 1</b> A distributor must only market and promote the product through: <ul style="list-style-type: none"> <li>• approved advertising for non-profit organisations;</li> <li>• in person recommendations to access marketing material (including in branch communications and referrer networks); and</li> <li>• any other issuer approved communication channels targeted for not-for-profit organisations (including telephone, email and social media).</li> </ul> This condition is appropriate as the target market is businesses.

	<p><b>Retail Product Distribution Conduct (other than Marketing)</b></p> <p>This condition applies to all conduct (other than marketing) such as issuing, arranging and providing disclosure material</p>	<p><b>Condition 2</b></p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"> <li>in person communications (including in branch and through referrer networks); and</li> <li>through the issuer's and other third party digital platforms.</li> </ul> <p>This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.</p> <p><b>Condition 3</b></p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified the key difference between the product and other deposit products issued by the issuer.</p> <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market. It is also appropriate as the issuer has distributed this product by third parties, with limited risk to consumers.</p> <p><b>Condition 4</b></p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if the consumer is a not for profit organisation. This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>
<p><b>Review Triggers:</b></p> <p>The events and circumstances that would reasonably suggest the determination is no longer appropriate</p>	<p>The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:</p>	
	<p><b>Material Complaints</b></p>	<p>material complaints (in number or significance) in relation to the terms of this product and / or the distribution conduct.</p>
	<p><b>Product Performance</b></p>	<p>evidence, as determined by the issuer, of the performance of the product, in practice, that may suggest that the product is not appropriate for the target market.</p>
	<p><b>Distributor Feedback</b></p>	<p>reporting from distributors, or consistent feedback from distributors on the target market which suggests that the determination may no longer be appropriate.</p>
	<p><b>Substantial Product Change</b></p>	<p>a substantial change to the product that is likely to result in the determination no longer being appropriate for the target market.</p>
	<p><b>Significant Dealing</b></p>	<p>a material pattern of dealings in the product or of distributor conduct that is not consistent with the determination.</p>
	<p><b>Notification from ASIC</b></p>	<p>a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.</p>
<p><b>Reporting Period:</b></p>	<p>The reporting period for this determination is every 6 months commencing from the Start Date.</p>	
<p><b>Reporting Information:</b></p> <p>The kinds of information needed to identify whether a review trigger has occurred, who must report this information and the reporting period</p>	<p>A distributor that engages in retail product distribution conduct in respect of this product must provide the following information in writing to the issuer within the times specified below:</p>	
	<p><b>Complaint Information</b></p>	<p>Information about complaints received in relation to the product during the reporting period, and if complaints were received, a description of the number of complaints and the nature of the complaints received and other complaint information set out in paragraph RG 271.182 of Regulatory Guide 271 Internal dispute resolution.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the end of each reporting period.</p>
	<p><b>Distributor Feedback</b></p>	<p>Information discovered or held by the distributor that suggests that the determination may no longer be appropriate.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after the reporting period.</p>
	<p><b>Significant Dealing</b></p>	<p>Information about any significant dealing in the product that is not consistent with the target market determination of which the distributor becomes aware.</p> <p>The distributor must provide the information as soon as practicable, or in any event, within 10 business days after becoming aware of the significant dealing.</p>
	<p><b>Information Requested by Issuer</b></p>	<p>Information reasonably requested by the issuer</p> <p>The distributor must provide the information as soon as practicable and no later than the date specified by the issuer.</p>
<p><b>Notes:</b></p> <p>Other information relevant to the distribution of the product</p>	<p>Nil</p>	

#### Document Control

Version	Date	Comments
1.0	5 October 2021	Determination commenced as a result of the new DDO Regime.

Note that when printed, this document may have been superseded. Please refer to heritage.com.au/TMD for the most current version of this document. Heritage Bank Limited. ABN 32 087 652 024. AFSL and Australian Credit Licence 240984. Doc ID Club Cheque Account/v1. Effective 10/21.