



# TARGET MARKET DETERMINATION

## NAB FARM MANAGEMENT DEPOSIT

| Determination Criteria   | Description  |
|--|--|
| <b>Start Date:</b>   | 16/10/2021   |
| <b>First and ongoing review period:</b>  | The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.  |
| <b>Product:</b>  | <b>NAB Farm Management Deposit</b><br>A NAB Farm Management Deposit is an interest bearing deposit for a specific amount, lodged for a fixed term and interest rate.   |
| <b>TARGET MARKET</b>   |  |
| <b>Target market &amp; product attributes:</b>   | <b>Consumer needs and objectives</b>   |
|  | A person that may seek a term deposit to manage the risk of fluctuations in earnings caused by adverse economic and seasonal changes in the agricultural sector and receive concessional tax treatment in the process of making such provisions of earnings.   |
|  | <b>Product attributes</b>  |
|  | A term deposit for the agricultural sector with the following key attributes: <ul style="list-style-type: none"> <li>the ability to deposit and invest funds for a fixed term</li> <li>the ability to earn interest on deposited funds</li> <li>fixed interest rate for a fixed term</li> <li>no access to money during the fixed term subject to a 7 day cooling off period at the start of the term</li> <li>the requirement to deposit a minimum amount of funds</li> <li>the need to manage seasonal risk of changing income</li> <li>the ability to receive concessional tax treatment through the Farm Management Deposit scheme.</li> </ul> |
|  | <b>Consumer financial situation</b>  |
| A person who will have sufficient funds to invest in the term deposit seeking: <ul style="list-style-type: none"> <li>a fixed interest rate for a fixed term</li> <li>to invest a minimum amount of \$1000 and maximum of \$800,000 combined balance</li> <li>taxable non-primary production income of \$100,000 or less to receive concessional tax treatment.</li> </ul> |  |
|  | <b>Product attributes</b>  |
| This product requires: <ul style="list-style-type: none"> <li>minimum amount of \$1000</li> <li>maximum of \$800,000 combined balance.</li> </ul>  |  |
| <b>Appropriateness statement:</b>  | NAB has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.  |
| <b>DISTRIBUTION CONDITIONS</b>   |  |
| <b>Commercial Compliance:</b><br>This condition applies to all conduct   | A distributor must: <ul style="list-style-type: none"> <li>hold an appropriate Australian Financial Services Licence (AFSL) or be an authorised representative of a AFSL holder unless an exemption applies covering the provision of financial services in respect of the product; and</li> <li>if the distributor is not NAB: <ul style="list-style-type: none"> <li>comply with the terms and conditions of any relevant distribution agreement or arrangement with NAB</li> <li>if applicable, comply with the terms of any licensing exemption covering the provision of financial services in respect of the product.</li> </ul> </li> </ul> |



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|   | <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and NAB.</p>   |
| <p><b>General Advice:</b><br/>This condition applies to general advice (including most marketing)</p>   | <p><b>Condition 2</b></p> <p>A distributor must only provide general advice (such as marketing) as to the product if:</p> <ul style="list-style-type: none"><li>• a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn</li><li>• the distributor complies with the terms of the TMD for the product</li><li>• the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and</li><li>• ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor.</li></ul> <p>A distributor may provide general advice (such as marketing) as to the product through public channels such as:</p> <ul style="list-style-type: none"><li>• advertising available on specialist periodicals related to purchasing term deposits and investments (including relevant social media), physical banners, brochures and other marketing material</li><li>• advertising through comparison sites and rating agencies</li><li>• NAB Branch</li><li>• NAB Relationship Bankers</li><li>• approved NAB Distributors</li><li>• NAB's Call Centre</li><li>• NAB's Website.</li></ul> <p>This condition is appropriate as the target market is wide.</p> <p>It is intended that these channels may be available to persons who would not at that time qualify for the product to be issued to them in a regulated sale, for example because they are minors. This is because the issue of the product is subject to Distribution Conditions 1, 3 and 4 which will ensure that the product is only issued to persons for whom it will be appropriate.</p> |
| <p><b>Retail Product Distribution Conduct (other than General Advice):</b><br/>These conditions apply to all retail product distribution conduct that is not general advice</p> | <p><b>Condition 3</b></p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"><li>• a TMD has been made and published for the product and has not been withdrawn</li><li>• the distributor complies with the terms of the TMD for the product</li><li>• ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and</li><li>• the distributor has complied with Condition 4.</li></ul> <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"><li>• NAB Branch</li><li>• NAB Relationship Bankers</li><li>• approved NAB Distributors</li><li>• AFSL holders that have a distribution agreement with NAB</li><li>• NAB's Call Centre</li><li>• NAB's Website.</li></ul> <p>This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.</p>  |



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|                                   | <p><b>Condition 4</b></p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified:</p> <ul style="list-style-type: none"> <li>• that the distribution of the product is consistent with the needs, objectives and financial situation defined in the target market for the product</li> <li>• that the person is seeking access to a term deposit account with the following key attributes: <ul style="list-style-type: none"> <li>- fixed interest rate</li> <li>- fixed term</li> <li>- minimum investment of \$1000</li> <li>- maximum of \$800,000 combined balance</li> <li>- the ability to receive concessional tax treatment through the Farm Management Deposit scheme</li> </ul> </li> <li>• the key difference between: <ul style="list-style-type: none"> <li>- the product; and</li> <li>- the other product options for the product and other separate deposit products issued by NAB.</li> </ul> </li> </ul> <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>  |  |                            |   |                            |  |                                   |  |                                   |  |
| <b>REVIEW TRIGGERS</b>            |   |  |                            |   |                            |  |                                   |  |                                   |  |
| <p><b>Review triggers:</b></p>    | <p>NAB and any distributor of this product, must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of NAB identifying a review trigger unless:</p> <ul style="list-style-type: none"> <li>• NAB has determined that this TMD continues to be appropriate; or</li> <li>• a new TMD has been made.</li> </ul> <p>The events and circumstances described below will trigger a review of this TMD if NAB determines it may relate to the appropriateness of the TMD having regard to NAB's internal policies.</p> <p>NAB will publish notice of a review on its website.</p> <table border="1" data-bbox="379 1339 1501 2067"> <tr> <td data-bbox="379 1339 592 1451"><b>Material complaints</b></td> <td data-bbox="592 1339 1501 1451">NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product.</td> </tr> <tr> <td data-bbox="379 1451 592 1765"><b>Product Performance</b></td> <td data-bbox="592 1451 1501 1765">NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> <li>• evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose)</li> <li>• evidence shows that product is no longer meeting the financial situation, needs and objectives of the target market for whom the product was designed (e.g. breaking the fixed term before the end of the fixed period)</li> <li>• evidence shows of substantial sales outside of the Target Market.</li> </ul> </td> </tr> <tr> <td data-bbox="379 1765 592 1966"><b>Feedback from distributors</b></td> <td data-bbox="592 1765 1501 1966">Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or key product attributes may no longer be appropriate.</td> </tr> <tr> <td data-bbox="379 1966 592 2067"><b>Substantial Product Change</b></td> <td data-bbox="592 1966 1501 2067">NAB makes a substantial change to the product terms, conditions or key product attributes including: <ul style="list-style-type: none"> <li>• adding to, removing or changing a product attribute</li> </ul> </td> </tr> </table> |  | <b>Material complaints</b> | NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product. | <b>Product Performance</b> | NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> <li>• evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose)</li> <li>• evidence shows that product is no longer meeting the financial situation, needs and objectives of the target market for whom the product was designed (e.g. breaking the fixed term before the end of the fixed period)</li> <li>• evidence shows of substantial sales outside of the Target Market.</li> </ul> | <b>Feedback from distributors</b> | Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or key product attributes may no longer be appropriate. | <b>Substantial Product Change</b> | NAB makes a substantial change to the product terms, conditions or key product attributes including: <ul style="list-style-type: none"> <li>• adding to, removing or changing a product attribute</li> </ul> |
| <b>Material complaints</b>        | NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product.   |  |                            |   |                            |  |                                   |  |                                   |  |
| <b>Product Performance</b>        | NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: <ul style="list-style-type: none"> <li>• evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose)</li> <li>• evidence shows that product is no longer meeting the financial situation, needs and objectives of the target market for whom the product was designed (e.g. breaking the fixed term before the end of the fixed period)</li> <li>• evidence shows of substantial sales outside of the Target Market.</li> </ul>  |  |                            |   |                            |  |                                   |  |                                   |  |
| <b>Feedback from distributors</b> | Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or key product attributes may no longer be appropriate.  |  |                            |   |                            |  |                                   |  |                                   |  |
| <b>Substantial Product Change</b> | NAB makes a substantial change to the product terms, conditions or key product attributes including: <ul style="list-style-type: none"> <li>• adding to, removing or changing a product attribute</li> </ul>  |  |                            |   |                            |  |                                   |  |                                   |  |



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|                               |  | <ul style="list-style-type: none"> <li>a substantial pricing change which impacts the consumer value proposition of the product</li> <li>significant changes to a distribution channel and distribution strategy.</li> </ul>   |
|                               | <b>Significant Change to the External Environment</b>  | <ul style="list-style-type: none"> <li>Regulatory or legislative environment for this product.</li> <li>Economic and market conditions.</li> </ul>   |
|                               | <b>Notification from ASIC</b>  | NAB receives a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.  |
|                               | <b>Significant Dealings</b>  | Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.   |
| <b>REPORTING</b>              |  |  |
| <b>Reporting period:</b>      | The reporting period for this determination is quarterly during each calendar year: <ul style="list-style-type: none"> <li>First reporting period ending on 31 March.</li> <li>Second reporting period ending on 30 June.</li> <li>Third reporting period ending on 30 September.</li> <li>Fourth reporting period ending on 31 December.</li> </ul> |  |
| <b>Reporting information:</b> | A distributor must provide the following information in writing as soon as practicable, or within 10 business days after the reporting period unless otherwise specified.  |  |
|                               | <b>Complaint Information</b>   | Complaints related to the risks, key terms, conditions or key attributes of this product including: <ul style="list-style-type: none"> <li>the number of complaints</li> <li>the nature and circumstances of the complaints</li> <li>whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.</li> </ul> |
|                               | <b>Feedback from distributors</b>  | Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market.   |
|                               | <b>Significant Dealings</b>  | If a distributor becomes aware of a significant dealing in the product or an issuer with the distributor conduct, that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.   |
|                               | <b>Other Information Requested by NAB</b>  | Any other information requested in writing by NAB from time to time subject to: <ul style="list-style-type: none"> <li>The request being necessary to enable NAB to meet its legal and compliance obligations; and</li> <li>NAB providing at least 30 days prior notice before the end of the Reporting Period.</li> </ul>   |

This product is issued by National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686.