

TARGET MARKET DETERMINATION

Issuer	C1 Finance Pty Ltd t/a C1 Car Loans
Issuer ABN	95 113 695 453
Issuer ACL	386366
Product	C1 Asset Finance (The Product)
Date applicable from	13/02/2024

Purpose of this Document

This Target Market Determination (**TMD**) seeks to offer consumers, distributors, and staff with an understanding of the class of consumers for which the Product has been designed, having regard to the objectives, financial, situation and needs of the Target Market.

Consumers should refer to the terms and conditions of the product and any relevant supplementary documents which outline the relevant terms and conditions under the product when making a decision about the product.

This document is not a full summary of the product's terms and conditions and is not intended to provide financial advice, legal advice or professional advice. Consumers should seek independent legal, financial and professional advice, before making a decision about the product

Description of Target Market

Target Market Summary

This Product is designed for consumers seeking an amount of credit with a fixed interest rate, with regular fixed repayments, over a fixed term, for the primary purpose of purchasing an acceptable asset. An acceptable asset includes an unencumbered, registerable motor vehicle, motorcycle, caravan or water craft under 11 years old at settlement. With flexibility to borrow more than the vehicle's value to pay for the associated vehicle costs and fees, including but not limited to stamp duty, registration, origination costs, insurance and warranty without the need for a deposit.

The Product is subject to C1's credit policy and responsible lending suitability assessment for this Product and its classifications Premium, Standard and Light, all covered by this TMD.

Consumer Objectives, Financial Situation and Needs

This Product is suitable for persons seeking finance to purchase an acceptable asset who:

- Are legally allowed to work in Australia
- Receive regular and ongoing income
- Can afford to service a loan of at least \$10,000
- Want to make regular repayments over a defined period
- May have past credit defaults
- May currently be under third-party budgeting or debt arrangements
- Meet additional lending and eligibility 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”)
- Are unable to comply with their financial obligations under the Product terms
- Experiencing financial hardship at the time of application
- Are currently bankrupt under a Part X of the Bankruptcy Act 1966
- Have regular financial commitments that are not being met and direct debit dishonours
- Display ongoing multiple cash lender activity
- Seek finance for other than primarily purchasing a suitable asset
- Do not have regular income and capacity to make fixed loan repayments

Description of Product and Key Attributes

- No deposit required
- Loan principal from \$10,000 to \$35,000
- Vehicle age maximum 11 years at settlement
- Must be employed in Australia
- Employment full, part time or casual
- Establishment fees and asset associated costs can be financed into the loan
- Fixed interest rate for the term of the loan
- Fixed regular weekly, fortnightly or monthly repayments
- Term from 12 to 60 months
- Monthly account fee
- Flexibility for increased or early repayment
- No exit fee

Product and Target Market Consistency

The Product is consistent with the Target Market, consumer’s seeking a secured asset loan, designed to suit a wide group of consumers who require access to funds to purchase an acceptable asset.

- Where the Target Market is unlikely to have sufficient savings to purchase an asset outright and instead has sufficient regular income to service a loan.
- With loans customised to compliment the asset type financed, the consumer’s circumstances, including the ability to repay the loan over the term, with the flexibility of paying out the loan early without penalty.

Distribution Conditions and Restrictions

Distribution Methods

This product is distributed through the following channels:

- Direct to consumers through the website and online smart application
- Through C1 accredited finance brokers

Distribution Conditions

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

- Consumers must complete an application to determine the consumer does not fall into an excluded class and does meet loan eligibility criteria before the product is offered

- Applications are assessed by a credit analyst for eligibility and further verification of information and credit assessment
- C1 publishes and updates educational information, articles and content to help inform and educate consumers on the Target Market suitability of the Product
- Finance brokers are required to be accredited and onboarded with training on the Product and its Target Market
- Finance brokers accredited with C1 typically have access to the Target Market
- Where the consumer meets the product eligibility and credit assessment criteria an offer of finance is presented to the consumer, outlining the Product's key attributes, fees and terms for the customer and/or broker to consider and accept, before loan documentation is issued.

C1 has determined that the following events and circumstances will make the Products no longer Suitable for the Target Market:

- Where ineligible consumer or consumers out of the Target Market consistently gain access to the Product
- Where the distribution of the Products channels described in this TMD are no longer applicable
- Where C1 accredited brokers' reasonably assess that the Product is no longer appropriate

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

- The Target Market is spread across Australia
- Ability to manage the distribution channels
- Ability to reach the intended Target Market based on past outcomes
- Actively monitoring and measuring the effectiveness of distribution channels for the Target Market
- Actively informing and providing lending guidelines, eligibility and credit assessment criteria with checklists to distribution channels to identify the Target Market
- Accrediting and educating finance brokers to to distribute C1 products
- Application forms and processes ensure applicants are screened for suitability within the Target Market
- Website and online content is reviewed and updated to keep consumers and finance applicants informed

Review Triggers

The TMD will be reviewed if events or circumstances occur that reasonably suggest that the TMD is no longer appropriate, including:

- Changes in responsible lending legislation and guidelines
- A significant increase in default rates
- A significant increase in the number of hardship notices for clients with the Product
- A significant dealing in the product outside of the Target Market occurs
- A significant number of complaints is received from customers in relation to the Product
- A material change to the product and/or the terms and conditions of the product occurs
- Adverse external events occurring such as adverse media coverage or regulatory attention

- Adverse feedback from industry bodies and regulators regarding the Product, TMD, Target Market or Distribution channels

Review Periods

- This TMD will be reviewed within 10 days of a review trigger and
- Ongoing within 12 months of the date of the previous review

Reporting

Complaints

- Distributors are required to report complaints to C1 in relation to the Product covered by this TMD immediately they become aware of a complaint
- All complaints with a brief description of the complaint are recorded, addressed and reported to ASIC every 6 months

Significant Dealings

- Any significant dealing in relation to the Product and this TMD, is reported on as soon as possible, but
- No later than 10 days after a team member at C1 becomes aware of the significant dealing.

Other Feedback and Reviews

Anecdotal feedback and reviews received from customers and brokers, that is not a complaint in relation to the Product, is also reviewed on an ongoing basis by management together with the team for consistency of dealing and distributing within this TMD and considered in light of review triggers for this TMD.