

Target Market Determination (TMD) Carz4u Safeguard 5 Mechanical Warranty

Issuer of this TMD – Rohanna Pty Ltd (Trading as John Hughes Group) ABN 84 716 233 846

Effective Date of TMD – 5th October 2021

1. About this document

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, distribution conditions and restrictions, triggers to review and certain other information. It forms part of Rohanna's product design and distribution framework for the product.

This document is **not** a summary of all product features, fees, or terms of the product. This document is general in nature and should not be construed as financial advice. This document does not consider any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the "Warranty Contract" before deciding whether to apply for this product.

2. Class of consumers that fall within this target market

This product has been designed for customers who are individuals and who:

- Are individuals who are the registered owner of the relevant vehicle;
- are Permanent Residents, Australian Citizens or visa holders;
- are over 18 years of age;
- have purchased an eligible used vehicle at the John Hughes Group, including Carz4u; that is less than 12 years old and has covered less than 150,000kms at the time of purchase;
- use the vehicle in accordance with the underwriting criteria;
- want the certainty of paying a known and predictable fee in return for protection from unexpected mechanical breakdown and repair costs (including selected associated costs as detailed in the warranty contract); and
- can commit to having the vehicle serviced every 12 months or 15,000kms, whichever occurs first.

3. Product descriptions and key attributes

The key attributes of this product include:

- Extended cover for mechanical repairs to the vehicle claimed after the Manufacturer's warranty has expired;
- Cover for towing charges up to \$250;
- Cover for car hire up to \$500 per approved claim; and
- Cover for accommodation up to \$175 per day for up to 5 days in prescribed circumstances as detailed in the warranty contract.

4. Objectives, financial situations and needs

The product has been designed for individuals whose objectives and needs include:

- A desire and ability to purchase an extended warranty at the time of purchasing the used vehicle.
- Require the certainty of paying an ongoing fee in return for cover of their used vehicle for mechanical breakdown and repair (including selected associated costs) as detailed in the warranty contract to avoid unexpected costs.

5. How this product will be distributed

The following conditions and restrictions have been assessed as being appropriate to direct the distribution of the product to the target market.

Channel	Conditions
Direct – point of sale	Only trained and approved Aftercare Sales Managers permitted to assist consumers with this product at the point of sale. Authorised staff have the necessary training, skills and knowledge to assess whether the consumer is within the target market.

The distribution channels and conditions are appropriate because:

- our distributors have been adequately trained to understand their DDO obligations;
- we rely on existing distributors, methods, controls and supervision already in place; and
- our approval system has controls in place to flag applicants who may be outside the target market.

6. Reviewing the TMD

The following review triggers would reasonably suggest that the TMD may no longer be appropriate:

Review Trigger 1:

A significant dealing of the product to consumers outside the target market occurs.

Review Trigger 2:

Relevant changes in the law, applicable industry code, decision of a court or other regulatory body (including through regulatory guidance through ASIC), that materially affects the product.

Review trigger 3:

Significant or unexpectedly high number of complaints regarding the product, including Australian Financial Complaints Authority (AFCA) determinations.

Review trigger 4:

Rohanna will measure leading indicators to determine if product performance is materially inconsistent with Rohanna's expectations and consumer needs

Leading indicators for potential review triggers:

Leading indicators and trends are measures that may suggest that the TMD requires a review.

Some of these are noted below:

- Internal decisions to amend or modify the product, its features, or its distribution including changes to pricing.
- Regulator and other feedback received.
- Portfolio performance, including customer assistance.
- The nature and volume of any significant dealings out of the target market.
- A material increase in declined claims.

Where a trigger event has occurred, this TMD will be reviewed within 10 business days.

7. Periodic review of TMD

Rohanna will review this TMD periodically to ensure that it remains appropriate.

- Initial review of TMD: within 12 months from the date this TMD is made; and
- Ongoing review of TMD: within 12 months from the date of the last review.

8. Distribution Information Reporting Requirements

The following information must be provided to the Issuer by distributors who engage in retail product distribution conduct in relation to this product:

Type of information	Description	Reporting period
Specific Complaints	Details of the complaint, including name and contact details of complainant and	As soon as practicable and within 10 business days of receipt of complaint.

	substance of the complaint.	
General Complaints Information	Number of complaints and general feedback relating to the product and its performance	Quarterly
Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (eg, why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware