

Date of Issue: 01 December 2023

Date of Next Review: 01 December 2024

Purpose of this document

SCCU is legally required to prepare this Target Market Determination (TMD). The TMD details the cohort of customers the product has been designed for, the conditions under which the product must be distributed and how SCCU will review this document to ensure it remains appropriate. This document is not a substitute for the product's terms and conditions or other disclosure documents.

Target Market

SCCU has identified the Target Market for the Credit Union Guarantee and the key attributes of the product that meet the needs, objectives, and financial situation of customers in the Target Market as follows:

Credit Union Guarantee has been designed for customers who:	Key attributes of Credit Union Guarantee that make the product appropriate for the Target Market:
Are business owners seeking a guarantee confirming availability of funds for a potential future payment to a beneficiary on behalf of a business.	Can be established to provide surety for a supplier or landlord for the amount guaranteed and may be established for a defined period or open ended.
Ability to earn interest on any deposit security provided.	Funds deposited will be eligible to earn interest based on the deposit product selected.
Are able to provide acceptable security	Security provided must meet SCCU acceptable security guidelines.

Financial Situation

The Financial Situation of the Target Market are customers that:

- Meet SCCU's credit assessment criteria which includes provision of acceptable security; and
- Require a guarantee of at least \$10,000.

SCCU holds the view that having its processes in place, including assessing the customer's ability to meet required loan repayments, will mean that the product will likely be consistent with the Financial Situation of the Target Market.

Eligibility Criteria

To hold this product customers will need to satisfy eligibility criteria, including that the customer must:

- Be a sole trader, partnership or company;
- Be registered in Australia and have an Australian residential address;
- Meet SCCU credit assessment criteria; and
- Provide sufficient security in accordance with SCCU's credit assessment criteria.

Distribution Conditions

SCCU applies the following conditions and restrictions on distribution of Credit Union Guarantee so that the product is likely provided to customers in the Target Market. All customers must satisfy SCCU's credit assessment criteria which demonstrates the customer's capacity to service the loan facility. The below table identified the distribution channels which the product can be sold through and sets out the conditions that apply to each channel. SCCU views that the conditions specified are appropriate and it will be likely that the product will be distributed to the Target Market.

Distribution Channels	Conditions that make product distribution through the channel appropriate
Staff Assisted Channels (e.g. Financial Service Centres, Contact Centres, SCCU Lending Specialists); and	SCCU staff that distribute this product: <ul style="list-style-type: none"> • Are appropriately trained to understand and are able to discuss the features, benefits, rates, fees and charges of the product and key differences between products; • Must follow procedures that outline application eligibility and processes; • Are monitored through assurance programs.

Periodic Reviews of the TMD

The TMD will be reviewed each one-year period.

Review Triggers

If any of the below review triggers occur, or if an event or circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, SCCU will undertake a review of this TMD:

<ul style="list-style-type: none"> • A significant number of complaints received from customers in relation their acquisition of, or use of, the product that reasonably suggests that the TMD is no longer appropriate; • A material change to the product or terms and conditions of the product occurs which would cause the TMD to no longer be appropriate; • Any significant dealing of the product to customers who are outside the Target Market.
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Review Trigger Reporting Requirements

The following information must be provided to SCCU by all third parties responsible for the retail distribution product distribution conduct of this product in accordance with this TMD, within the required timeframes:

Information Type	Description	Timeframe for Reporting
Product Complaints Data	Information relating to complaints received	Quarterly and within 10 business days from the end of the quarter.

Significant Dealings	Instances where there is an issue with distributor conduct	As soon as practicable, and in any event within 10 days of becoming aware.
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