

COLLECTION - OUTWARDS

Target Market Determination

30 November 2021

Prepared by Bank of Queensland Limited (BOQ) ABN 32 009 656 740
Australian Credit Licence and AFSL 244616, the issuer of this product.



BUSINESS

What is a Target Market Determination?

A Target Market Determination (TMD) describes:

- the class of customers that comprise the Target Market for the product
- any conditions or restrictions on how the product is distributed to retail customers
- events or circumstances where we will review the TMD for the product.

Why does BOQ need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help customers obtain appropriate financial products by requiring issuers and distributors to have a customer centric approach to the design and distribution of products.

This document is not a substitute for the product's terms and conditions or other disclosure documents. Customers must refer to these documents when making a decision about this product. These documents can be found on our website or you can obtain a copy upon request.

The TMD will undergo a periodic review as follows:

| EFFECTIVE DATE |
|--|
| 30 November 2021 |
| NEXT REVIEW DUE |
| Before 30 November 2023 |
| REVIEW |
| At least every two years from the effective date of this TMD |

Target Market

The Target Market for this product is exporters who need a documentary collection service, or customers who hold a cheque payable outside of Australia who need a collection service. These customers are likely to have the following objectives, needs and financial situation and must meet the eligibility criteria for this product.

Objectives

The customers' objective is to collect funds for goods and services provided to overseas buyers, or to collect cleared funds in the same currency of a foreign bank cheque.

Needs

The customers' likely need is:

- to have BOQ act as an agent to facilitate the collection of the export documents and to obtain a higher level of confidence that payment due for goods or services provided to buyers will be collected when due, or
- to have BOQ act as an agent to facilitate the collection of the cheque payable outside Australia for cleared funds in the same currency of the cheque.

Financial situation

This product is suited to customers with a wide range of financial situations. They have a low risk appetite for delayed or non-payment of goods or services provided.

Eligibility criteria for this product

Customers must satisfy the following criteria to acquire this product:

- be an Australian citizen, permanent resident, or resident with acceptable residency status, 18 years or older, or
- be an Australian registered corporation or association, or
- be a trustee of an Australian family, statutory, superannuation, unit, or hybrid trust (the beneficiary and the Trustee must meet the eligibility criteria of an individual or a corporation), and
- hold a BOQ Australian dollar bank account in the same name to enable transfers of the funds plus any fees for the product.

Product description

Documentary collection is primarily a payment collection service BOQ provides as agent for the exporter. BOQ arranges for delivery of the exporter's documents to the importer's bank, instructing the importer's bank to release documents to the importer against payment immediately or at an agreed future date.

It may also be a payment collection service BOQ provides as an agent of the customer to facilitate the collection of a cheque payable outside Australia for cleared funds in the same currency of the cheque.

Key attributes of this product

- basic low cost
- enables efficient receipt of payment.

Why the product is likely to be consistent with the likely objectives, needs and financial situation of the Target Market

The product's attributes are designed to support the Target Market's objectives, needs and financial situation. The customer's need to manage debtor collection can be met by the features such as simple and inexpensive and efficient collection of payment.

Distribution conditions

The product can be distributed through BOQ's direct channels including:

- BOQ Financial Markets team
- branch network (including owner managers)
- Business Bankers
- BOQ Specialist team
- BOQ Finance team
- trade operations.

This product can be distributed to retail customers in accordance with BOQ's customer acceptance requirements and is subject to BOQ's eligibility requirements.

Why the distribution conditions will make it likely that the customers who acquire the product are in the Target Market

BOQ considers that the distribution conditions and restrictions support BOQ's assessment that the product will likely be distributed to the Target Market because of the following key controls:

- controls to ensure applying customers meet BOQ's eligibility requirements
- monitoring and supervision controls over these practices.

Review triggers

We will review this TMD if any of the following trigger events and information being monitored reasonably suggest that the TMD may no longer be appropriate:

- we receive a significant number of complaints are received in relation to the product
- we identify a material adverse customer experience in relation to product appropriateness
- there is a material change to the product attributes, fees, charges, terms & conditions or the manner of distribution
- there is a Significant Dealing in this product which is inconsistent with the Target Market.

Information reporting requirements

All distributors who distribute this product must provide the following information to BOQ:

| TYPE OF INFORMATION | DESCRIPTION | REPORTING PERIOD |
|--|---|--|
| Customer complaints received about this product | Customer complaints (including number of complaints, complaints record verbatim, product name and distributor name) in relation to this product that may indicate the TMD may no longer be appropriate for this product | As well as agreed in writing, quarterly and in any case within 10 business days from the end of the reporting period |
| Significant Dealings | The date or date range of when the Significant Dealing occurred and a description of why it may not be consistent with this TMD | As soon as practicable, and in any case within 10 business days after becoming aware |
| Incidents/Issues (including regulatory breaches) | Incidents and breaches that may indicate product is no longer appropriate for the Target Market or is being distributed outside the Target Market | As soon as practicable, and in any case within 10 business days after becoming aware |

Note: Record keeping

BOQ and its distributors will keep records of the reasonable steps they have taken to ensure that this product is sold in a manner consistent with this TMD.

BOQ will also keep complete and accurate records of our decisions, and the reasons for those decisions about:

- all Target Market determinations for this product
- identifying and tracking review triggers
- setting review periods, and
- the matters documented in this TMD.

