

# T.M.D

## Target Market Determination

For the;  
Lease2own Operating Lease, Asset Finance  
Novated Leasing for Asset Finance or Operating Lease.

### 1. About this document

This target market determination (TMD) outlines to consumers and distributors the class of consumers for which this product has been designed, having regard to their objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice.

Consumers must refer to the Drive2go Car Leasing Standard Terms and Conditions and any supplementary documents which outline the relevant Product and Service 'Terms and Conditions' and product terms, fees and charges, acceptable use policy and operating expenses integration and our services guidelines, when making a decision about this product.

For more information regarding our 'Terms and Conditions', please refer to our PDF documents provided or obtain one by email us [management@drive2go.com.au](mailto:management@drive2go.com.au)

For further information on lease products, please refer to [www.drive2go.com.au/leasing-options](http://www.drive2go.com.au/leasing-options) to which this target market determination applies.

This TMD applies to the Drive2go Car Leasing Lease2Own Operating Lease, Asset Finance, Novated Asset Finance, Novated Operating Lease.

Date which this TMD is effective from 01 July 2022

### 2. Class of consumers that fall within this target market

This product is designed for a class of consumer who wants to finance and purchase a vehicle predominately for personal, domestic, or household use (including vehicle accessories, on-road costs and other fees that can be financed), or a registered company or business that holds an active ABN (Australian Business Number).

There are two users categories on this listed of four products with variations listed on tables shown below:

Product description and key attributes:	Consumer type: Private Individual	Consumer type: Business Owner
<p><b>Lease2own</b> (Operating Lease)</p>	<ul style="list-style-type: none"> <li>• Up to 100% asset purchase alternative financing at a known operating lease repayments cost to approved applicants).</li> <li>• Your lease asset threshold (purchase price or market value), in which will be determine subject to each applicants credit profile, income and serviceability.</li> <li>• You can choose any of the Lease2own plans (A,B,C)</li> <li>• Selected pre-owned vehicle</li> <li>• Self selection pre-owned vehicle</li> <li>• Self selection, Brand new vehicle</li> <li>• For more information about our Lease2own Plans please refer to link on our website <a href="https://drive2go.com.au/lease2own-plans/">https://drive2go.com.au/lease2own-plans/</a></li> <li>• You can choose any or all of our Fleet Management Services to form your weekly payment.</li> <li>• With an operating lease, the lessor owns the vehicle and leases the vehicle to you with your choice of term and kilometre usage.</li> <li>• Early termination notice is 14-28 days notice.</li> <li>• Similar vehicle value replacement (plan A,B) or Lease upgrade eligibility: once, after 24 months is served.</li> <li>• Lease term Rebate: of up to 40% term value (based on existing lease term served) or as lease pricing reduction credit value on new full lease2own restart only, (subject for approval and minimum 12 months existing term has been served are required).</li> <li>• Driver Loyalty Program: score points credit (based on your payment history), towards your account credit</li> <li>• At the end of the term the vehicle is simply handed back, avoiding the risks associated with ownership, as there is no residual value to pay.</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 100% asset purchase alternative financing at a known operating lease repayments cost to approved applicants).</li> <li>• Your lease asset threshold (purchase price or market value), in which will be determine subject to each applicants credit profile, income and serviceability.</li> <li>• You can choose any of the Lease2own plans (A,B,C)</li> <li>• Selected pre-owned vehicle</li> <li>• Self selection pre-owned vehicle</li> <li>• Self selection, Brand new vehicle</li> <li>• For more information about our Lease2own Plans please refer to link on our website <a href="https://drive2go.com.au/lease2own-plans/">https://drive2go.com.au/lease2own-plans/</a></li> <li>• You can choose any or all of our Fleet Management Services to form your weekly payment.</li> <li>• With an operating lease, the lessor owns the vehicle and leases the vehicle to you with your choice of term and kilometre usage.</li> <li>• Early termination notice is 14-28 days notice.</li> <li>• Early Buyout eligibility after 24 months is served.</li> <li>• Early Buyout fee is estimated 46 weeks of lease pricing or industry guide market value at the time, whichever is lesser.</li> <li>• Similar vehicle value replacement (plan A,B) or lease upgrade eligibility: once, after 24 months is served.</li> <li>• Lease term Rebate: of up to 40% term value (based on existing lease term served) or as lease pricing reduction credit value on new full lease2own restart only, (subject for approval and minimum 12 months existing term has been served are required).</li> <li>• Driver Loyalty Program: score points credit (based on your payment history), towards your account credit</li> <li>• Business use operating lease or known in our product as 'Lease2own' is an 'business to business' commercial lease arrangements (activity exempts from National Credit Act), the leasee or business is entitle to claim for asset buyout option at the end of the lease term.</li> </ul>

<p><b>Asset Finance</b></p>	<ul style="list-style-type: none"> <li>• Asset finance is well suited only for private individual applicant who will be using the vehicle for private use.</li> <li>• Asset finance transfers the risk of ownership to you as an individual.</li> <li>• You choose a residual value within the ATO's specified range to suit you, and at the end of your lease, you can pay it out, extend your term or enter into a new agreement.</li> <li>• Asset finance lease gives you up to 100% financing at a known monthly cost with almost no capital outlay.</li> <li>• Your asset finance are normally tax deductible and where a 'business' may claim or treated as asset finance lease or rental in which they can claim all lease repayments and interest as 100% tax deductible.</li> <li>• At the end of the term, you can extend for an additional term or make an offer to pay out the asset and enter into a new lease agreement on another vehicle.</li> </ul>	<ul style="list-style-type: none"> <li>• Asset finance is well suited only for private individual applicant who will be using the vehicle for private use.</li> <li>• Asset finance transfers the risk of ownership to you as an individual.</li> <li>• You choose a residual value within the ATO's specified range to suit you, and at the end of your lease, you can pay it out, extend your term or enter into a new agreement.</li> <li>• Asset finance lease gives you up to 100% financing at a known monthly cost with almost no capital outlay.</li> <li>• Your asset finance are normally tax deductible and where a 'business' may claim or treated as asset finance lease or rental in which they can claim all lease repayments and interest as 100% tax deductible.</li> <li>• At the end of the term, you can extend for an additional term or make an offer to pay out the asset and enter into a new lease agreement on another vehicle.</li> </ul>
<p><b>Novated Leasing</b>  (for Asset Finance or Operating Lease).</p>	<ul style="list-style-type: none"> <li>• Novated leasing is well suited for an employee.</li> <li>• The name defines a finance arrangement used with salary sacrifice, where an employer pays an employee's vehicle finance and running costs from their pre- and post-tax salary.</li> <li>• A novated finance lease is the most common form of novated lease.</li> <li>• Residual value ranges are set by the ATO and the subsequent ownership risk is borne by the employee.</li> <li>• This option we may refer you to to novated product specialist broker to lender, known as 'upstream and or downstream referral'.</li> </ul>	<ul style="list-style-type: none"> <li>• Novated operating lease is well suited for business owner or employer.</li> <li>• As the name suggests, the employees' lease obligations are transferred or 'novated' to the employer, who makes these payments to lender for the term of the lease.</li> <li>• If the employee leaves their employment, the novation agreement ceases and all financial liability for the lease reverts to the employee.</li> <li>• A novated operating lease alleviates the ownership risk for the employee as the vehicle can be returned at the end of the lease.</li> <li>• The employee does not carry any responsibility for any potential loss on sale.</li> <li>• A novated operating lease is an 'off balance sheet' funding option.</li> <li>• This option we may refer you to novated product specialist broker to lender, known as 'upstream and or downstream referral'.</li> </ul>

### 3. Likely objectives, financial situation and needs

The below table summarises the type of consumer that falls within the target market for each product variation and the needs, objectives and financial situation that the product has been designed to meet.

Consumers type:	Private Individual	Business Owner
Class of consumers	<ul style="list-style-type: none"> <li>• This consumer type is designed for private individual is at least 18 years of age,</li> <li>• Meet our or a suitable lender or lessor and Finance's eligibility and lending criteria and wants finance to purchase a vehicle predominately for personal, domestic, or household use.</li> </ul>	<ul style="list-style-type: none"> <li>• This consumer type is designed for business owner is at least 18 years of age and that have active Australian Business Number or Company Number (ACN, ABN).</li> <li>• Meet our or a suitable lender or lessor and Finance's eligibility and lending criteria and wants finance to purchase a vehicle predominately for a minimum of 55% or above of business use.</li> </ul>
Needs and Objectives	<ul style="list-style-type: none"> <li>• Want an interest rate that is fixed with a predetermined payment structure across the term of the loan;</li> <li>• Want access to repayment options (including weekly, fortnightly or monthly);</li> <li>• Want to own the vehicle from the beginning of the loan;</li> <li>• Want a loan that is secured against a vehicle;</li> <li>• Want to take unencumbered ownership of the vehicle at the end of loan term (subject to all repayments under the loan contract being met).</li> </ul>	<ul style="list-style-type: none"> <li>• Want credit to finance a vehicle predominately for business use.</li> <li>• Want an lease or hire a vehicle that has a fixed term with a predetermined fixed payment structure across the term of the lease;</li> <li>• Want access to repayment options (including weekly, fortnightly or monthly);</li> <li>• Want a flexible lease term with asset replacement or upgrade eligibility.</li> <li>• Want a full operating costs of the asset combined into a simple reoccurring repayments.</li> <li>• Want a leased asset with maximum or full tax deductible options.</li> <li>• Want flexible lease termination term including option the ability to return the vehicle, upgrade or buy it at the end of the term.</li> </ul>
Financial Situation	<ul style="list-style-type: none"> <li>• Want a minimum or no upfront deposit for own choice of vehicle purchase.</li> <li>• Can pay the scheduled repayments, comprising principal and interest payments, and the fees and charges associated with the purchase and financing of a vehicle;</li> <li>• Want asset only finance option and seek to pay lower interest rate overall.</li> <li>• Want an option for residual or balloon end payment to lower their repayments.</li> </ul>	<ul style="list-style-type: none"> <li>• Want a minimum upfront bonds or deposit for vehicle access.</li> <li>• Can pay the scheduled repayments, comprising principal lease payments, and the fees and charges associated with the purchase and financing of a vehicle;</li> <li>• Want a non ongoing maintenances or repair costs and risk free vehicle access.</li> </ul>

## 4. Excluded class of consumers

This product has not been designed for consumers who want to:

- Part with possession or control of the vehicle by way of lease, transfer, assign or lend;
- Modify the vehicle in a way that may void any warranty or cause the vehicle to be unroadworthy, illegal or not fully covered by insurance;
- Transport the vehicle from mainland Australia or Tasmania; or
- Use the vehicle to provide commercial transport services, such as hire-car, or taxi.

### Consistency between target market and the product

This product is likely to be consistent with the likely objectives, needs and financial situation of the class of consumers in the target market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers.

## 5. How this product is to be distributed

### Distribution channels

This product is designed to be distributed through the following means:

- By our accredited network associated and acting as authorised agent for Drive2go Car Leasing.
- Directly with Drive2go Car Leasing through the website, either over the phone, via email or mail.

**Distribution conditions** This product should only be distributed to consumers that meet with the Drive2go Car Leasing products or financing eligibility and lending criteria.

### Adequacy of distribution conditions and restrictions

Drive2go car Leasing has determined that the distribution conditions and restrictions will make it likely that the consumers who purchase the product are in the class of consumers for which it has been designed.

Drive2go Car leasing has consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

## 6. Reviewing this TMS

We will review this TMD in accordance table below or for any occurrence of any trigger within 10 business days.

Initial review	Within 12 months of the effective date.
Periodic reviews	At least every three years following the initial review to ensure it remains appropriate.
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. (This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• A material change to the design or distribution of the product, including related product documentation and acceptance/lending criteria;</li><li>• The occurrence of a significant dealing;</li><li>• Distribution conditions found to be inadequate;</li><li>• Significant changes in metrics including, but not limited to, material adverse trends in internal delinquency data, cancellations, product switching, defaults on repayments, late repayments and/or complaints;</li><li>• Identified systemic issues in the product or across the product lifecycle;</li><li>• Material external events such as relevant litigation, adverse media coverage or regulatory attention which may suggest the TMD is no longer appropriate; or</li><li>• Relevant feedback, information or notification received from a distributor, regulatory body such as ASIC or APRA, or other interested parties.</li></ul>

## 7. Reporting and Monitoring this TMD

We may collect the following information from our distributors in relation to this TMD.

<b>Complaints</b>	Distributors will refer all complaints in relation to the product covered by this TMD to Drive2go Car Leasing as and when a complaint arises or the distributor becomes made aware of a complaint.
<b>Significant dealings</b>	Distributors will report if they become aware of a significant dealing in relation to this TMD as soon as practicable but not more than 10 business days after.
<b>System Controls</b>	Drive2go Car Leasing will review and assess the adequacy of distribution conditions and restrictions to ensure alignment with the TMD and that they are working effectively on a quarterly basis.
<b>Transaction Data</b>	Drive2go Car Leasing will review transaction data relevant to the TMD on a monthly basis and report any significant dealing in relation to this TMD.
<b>Sales Practice Monitoring</b>	Drive2go Car Leasing will review the results of the bi-annual Compliance Competency Assessment and report any significant dealing in relation to this TMD.

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