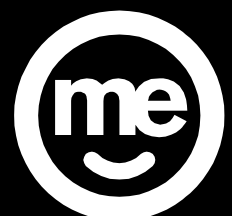

ME Treasury Term Deposit.

Target Market Determination
5 October 2021



Prepared by Members Equity Bank Limited (ME) ABN 56 070 887 679
Australian Credit Licence and AFSL 229500, the issuer of this product.

ME Treasury Term Deposit – Target Market Determination.

Effective date: 5 October 2021

Prepared by Members Equity Bank Limited (**ME**) ABN 56 070 887 679 Australian Credit Licence and AFSL 229500, the issuer of this product.

This Target Market Determination (**TMD**) applies to the:

- Treasury Term Deposit

What is a Target Market Determination?

A 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; and
- events or circumstances where we will review the TMD for the product.

Why does ME need to make this TMD publicly available?

We are required to produce this TMD by law. The law is intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer 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.

This TMD will undergo a periodic review as follows:

Effective date	Next review due	Review
5 October 2021	5 October 2023	At least every two years from the effective date of this TMD.

Target market.

The Treasury Term Deposit is designed for individual & non-individual customers who require a deposit product for personal investment or business purposes to earn interest for a fixed term and rate.

These customers are likely to have the following objectives, needs, financial situation and meet the eligibility criteria for this product.

Objectives.

The customer's likely objective is to have an account to keep their money safe and want a return on their savings over a fixed term at a fixed interest rate. The customer is not looking for a savings account with a variable interest rate and the flexibility to immediately access funds.

Needs.

The customer's likely need is a simple interest bearing product with a fixed rate, providing a predictable return on money deposited. This may include:

- Interest locked in for the term of the investment.
- The option to invest from one month to 60 months.
- Periodic interest payments.
- No set up or account keeping fees.
- The safety of the Australian Government deposit guarantee up to \$250,000 per account holder under the Financial Claims Scheme.

Financial situation.

This product is suited to customers who are looking to invest their savings over a fixed term at a fixed interest rate.

Eligibility criteria for this product.

Customers must satisfy the following criteria to acquire this product:

- Be an individual or sole trader that is an Australian citizen or permanent resident or resident for tax purposes with an Australian residential address aged 18 years or older;
- Be one of the following types of Australian entities:
 - Superannuation fund, including self-managed superannuation fund;
 - Trust;
 - Company;
 - Association;
 - Partnership; or
 - Government body.
- Deposit a minimum of \$25,000 in the account.

Customers outside the target market.

This product is not designed for customers who require:

- access to their funds prior to the maturity date of the term deposit without an interest rate reduction or providing 31 days' prior notice.

Product description.

The Treasury Term Deposit is a simple deposit product that allows businesses or investors to earn interest over a fixed term and fixed interest rate on their savings.

Key attributes of this product.

Attributes of this product include:

- Fixed interest rate for the term of the investment.
- The option to invest from one month to 60 months.
- Periodic interest payments (monthly and/or at maturity for terms less than 12 months, quarterly or annually and at maturity for terms more than 12 months) paid to a nominated Australian bank account in the name of the account holder.
- No set up or account keeping fees.
- The option to reinvest the funds at maturity.
- Access via an intermediary such as a broker or financial advisor accredited by ME.

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:

- Customers' need to deposit savings and earn interest over a fixed term at a fixed interest rate with flexibility to select both the term that they wish to invest and the interest payment frequency.
- Deposits up to \$250,000 are guaranteed by the Australian Government under the Financial Claims Scheme.

Distribution conditions.

Distribution by ME.

The Treasury Term Deposit can be applied for via an application form provided by ME via email on request.

The Treasury Term Deposit Product Disclosure Statement and current interest rates are provided by ME via email with the application form. This ensures that prospective customers receive adequate information when applying for the product.

Distribution by third party distributors.

Australian intermediaries accredited by ME such as fixed income/money market brokers and financial advisors can distribute the Treasury Term Deposit. The intermediary submits the customer's application form to ME via email.

The Treasury Term Deposit Product Disclosure Statement and current interest rates are provided to the customer by the intermediary. This ensures that prospective customers receive adequate information before applying for the product.

Why the distribution conditions will make it likely that the consumers who acquire the product are in the target market.

ME considers that the distribution conditions and restrictions support ME's assessment that the product will likely be distributed to the target market because of the following key controls:

- The Product Disclosure Statement and current interest rates are given to customers to review before applying for the product.
- Intermediaries accredited by ME have an Australian Financial Services Licence (AFSL) or are an authorised representative of an AFSL holder and are authorised to deal in the product and in some cases, provide financial product advice to customers in relation to the product.
- The application process is designed so that only prospective customers who meet the eligibility criteria will be approved by ME for a Treasury Term Deposit.
- ME has quality assurance processes over compliance of customer on-boarding and account origination.

Review triggers.

This TMD will be reviewed if any of the following trigger events occur or if information being monitored reasonably suggests that the TMD may no longer be appropriate:

- A significant number of complaints are received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate.
- A material change is made to the product attributes, fees, charges, terms and conditions or the manner of distribution which may cause the TMD to no longer be appropriate.
- A significant number of Treasury Term Deposits are paid out prior to their maturity date after giving 31 days' notice.
- A significant dealing occurs in this product which is inconsistent with the target market.
- An incident or breach is reported that may indicate the product is no longer appropriate for the target market or is being distributed outside the target market.

Information reporting requirements.

The following information must be provided to ME by all distributors who engage in retail product distribution conduct in relation to this product.

Type of information	Description	Reporting period
Consumer complaints received post 5 October 2021 in relation to this product	Consumer 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.	Within 10 business days of every: 6 month period for direct customers; or 3 month period for intermediaries who provide more than 100 customers per year; or 12 month period for intermediaries who provide less than 100 customers per year.
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 (incl. 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.

Record keeping.

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

ME will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- all target market determinations for this product;
- identifying and tracking review triggers;
- setting review periods; and
- the matters documented in this Target Market Determination.