TARGET MARKET DETERMINATION

MOTOR VEHICLE LEASE INSURANCE OPTIONS POLICY

1. About This Document

This target market determination (TMD) seeks to offer consumers, distributors, and staff with an understanding of the class of consumers for which this product has been designed, having regard to the 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 Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

This TMD applies to the Pacific International Insurance Motor Vehicle Lease Insurance Options Policy distributed by the distributor in clause 3 ("The Product").

This TMD is effective from July 2025.

2. Class Of Consumers That Fall Within This Target Market

This Product has been designed for consumers whose likely objectives, financial situation and needs are aligned with the Product's key attributes. The Product is designed for those consumers who have a novated lease on a motor vehicle under a salary sacrifice agreement but will also provide cover when a customer's salary sacrifice arrangement ends (e.g. on change of employment) and the finance arrangement continues.

This Product has been designed to protect the customer from having financial shortfall, and/or provide a safety net to cover lease repayments in the event of involuntary unemployment, to their financier and lease provider. The purpose is also to keep the vehicle in a mechanically sound condition by additional years of warranty outside of that provided by the manufacturer.

The types of vehicles this Product is designed for are passenger vehicles (such as sedans, utilities, vans/people movers, four-wheel drive vehicles), which are registered for use within Australia. The age of the vehicle will determine its eligibility for the cover options available. The age of the vehicle is determined by the manufactured built year not including the built month.

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This Product is **not** suitable for those consumers who do not have a lease on a motor vehicle.

This Product includes 3 (three) options of cover, of which the consumer may choose as many options as they wish:

1. *Total Loss Assist*

This cover option is designed to minimise the financial loss incurred as a result of the vehicle being declared a total loss by the comprehensive vehicle insurer. It covers the shortfall after a total loss payout in respect to discharging the obligations under a financial contract or the difference between the total loss payout and the original purchase price of the vehicle, whichever is the greater

2. *Lease Protection Insurance*

This cover option provides cover for lease payment obligations in the event of involuntary unemployment. It will also provide cover for the difference between the outstanding balance of a lease agreement and the trade value price of the vehicle in the event of a defined period of involuntary unemployment if the hand-back option is taken.

The hand-back option may be exercised where we have paid 3 consecutive months of lease repayments and up until immediately before 10 months, the vehicle has been returned to the lease provider as per the lease agreement, or there has not been return to permanent gainful employment at the time the vehicle is handed back. In some circumstances of events the hand back option can happen immediately.

This cover option also has the option of an additional benefit of monthly vehicle running costs, which is payable on the 31st day after the start of the involuntary unemployment. Monthly payments will continue until the maximum amount of lease repayments has been made, or gainful employment has been found.

3. *Guaranteed Buyback Insurance*

This cover option provides cover at the conclusion of the natural end date of the lease agreement if the likely trade value of the vehicle is less than the guaranteed buy back value. This ensures an element of financial security on the asset.

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3. How This Product IsTo Be Distributed

This Product is to be distributed through McMillan Shakespeare via Maxxia Pty Ltd, Remuneration Services (QLD) Pty Ltd and Oly Pty Ltd (the Distributors) as Authorised Representatives of Pacific International Insurance Pty Ltd (Pacific) (ABN 83 169 311 193, AFSL 523921) (the Issuer).

This Product is only to be sold if the individual has a Financial Lease arrangement with Maxxia Pty Ltd, Remuneration Services (QLD) Pty Ltd and/or Oly Pty Ltd.

When the individual is completing a quote, through the sales processes, it includes a number of questions that ensures that the applicant is within the target market.

4. Reviewing This TMD

We collect information and prepare reports regarding sales activity, performance, complaints and any occasions where this product has been sold contrary to the TMD on an at least quarterly basis to help improve the Products and service.

5. Review Triggers

We will review this TMD if:

- there are amendments to our PDS that change the cover provided;
- material changes are made to our underwriting guidelines;
- we introduce other ways in which this product can be sold;
- we receive a significant number of complaints regarding the design or distribution of this product;
- the business performance and value provided by this Product indicate the TMD is no longer appropriate, having regard to appropriate data such as claims ratios and policy sales and cancellation rates; or
- we identify that there has been a significant dealing in the Product that is not consistent with the TMD.

Our review will occur within 10 business days of any of the above events occurring.

In any other event, a review of this TMD will be completed no later than two years from the publication date of this TMD and subsequently at two-yearly intervals.

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6. Distributor Reports

The Distributor will report within 10 business days after the end of the month to the Issuer on any complaints received in respect of the Product.

The Distributor shall, when called upon to do so, report to the Issuer on:

- Complaints and compliments received in respect of the Product design;
- Cancellation reason reports; and
- The provision of any records we have to support Pacific's own determinations about loss ratio.

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