

Target Market Determination

This document is a target market determination (“TMD”) for the purposes of section 994B of the *Corporations Act 2001* (Cth).

This TMD is made by LSL Alternative Credit Pty Ltd ABN 55 641 811 181 Australian credit licence number 526970 trading as Okre (the “Issuer”), the issuer of the product covered by this TMD (the “**Product**”).

This TMD was made on 1 October, 2021 and last updated on 17 August 2023.

1. Product

Name of the Product: Okre dental payment

Type of the Product: Unsecured consumer loan, a fast flexible and simple finance option for consumers to pay for dental treatments from Australian registered dental practitioners on an instalment basis without having to incur interest, account keeping fees, or exposure to high-interest credit products and credit card fees and charges.

2. Target market & Product attributes

Consumer needs and objectives	Product attributes
A person wants to be able to pay for expensive upfront healthcare costs in instalments so they can receive timely dental treatment, while reducing the immediate financial burden on them	This Product allows them to spread the payment of the upfront dental treatment costs over 6 to 18 months through instalments in a convenient, flexible and low-cost way.
A person who wants certainty of repayment amounts with low fees and charges	The Product has no interest rate and low fees which are fixed for the life of the loan, and if they do happen to miss a repayment such that late fees happen to be paid, it is low cost relative to other loan products that are available in the market currently.
A person who wants to have the option to choose the repayment amount and term of their loans, and can make early repayments without penalty	The Product can be paid off over 6, 12 or 18 months, and can be paid off early at any time without penalty or additional fees
A person who wants a product which can function as a budgeting tool by	The Product allows fixed repayment amounts and the ease of paying by direct

giving them the flexibility of paying by instalments via automatic direct debit from a debit card or credit card, and has no hidden fees or costs associated with its use if instalments are paid on time	debit without extra fees or charges (so long as there are no direct debit failures).
A person who would be comfortable with the ease and efficiency of using a digital-only product	The Product is available primarily as a digital product
Consumer financial situation	Product attributes
A person that: <ul style="list-style-type: none"> a) requires a minimum credit amount of \$500, but no more than \$12,000; and b) has sufficient financial resources or income to make repayments. 	The Product has a minimum credit limit of \$500 and a maximum credit limit of \$12,000

The Product is not suitable for anyone who is not seeking to pay for dental treatment from a registered dentist in Australia.

Okre has considered that the Product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.

3. Retail product distribution conduct and conditions

The conditions and restrictions on retail distribution of the Product (other than any imposed by the Corporations Act) are as follows:

A. Conditions that apply to all conduct: Authorisation

First Conduct Rule: A distributor must hold an Australian Credit Licence or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee and, if the distributor is not Okre, comply with the terms and conditions of any relevant distribution agreement or arrangement it has with Okre.

This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and Okre.

B. Conditions that apply to Retail Product Distribution Conduct (other than General Advice):

Second Conduct Rule: A distributor must only engage in retail product distribution conduct (other than general advice) if:

- a TMD has been made and published for the product and has not been withdrawn the distributor complies with the terms of the TMD for the product; and
- ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and
 - the distributor has complied with the Third Conduct Rule (see immediately below).

A distributor must only engage in retail product distribution conduct (other than general advice) through:

- relationship or account managers; or
- accredited brokers.

This condition is appropriate as the target market is narrow.

Third Conduct Rule: A distributor must only engage in retail product distribution conduct (other than general advice) if it has identified:

- that the distribution of the product is consistent with the needs, objectives and financial situation defined in the target market for the product;
- it has confirmed that the consumer is receiving treatment from a registered dental professional; and
- that an unsecured personal loan: (i) issued for the purpose of receiving specific treatment from a registered dental professional; and (ii) with the following key attributes the ability to use credit over a fixed term of their choosing (up to 18 months), with no interest, no monthly fee, and can make early repayments without penalty;
- the key difference between the product and other separate products offered by Okre.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

C. Conditions that apply to general advice and marketing:

A distributor must only provide general advice (such as marketing) as to the product if: a TMD has been made and published for the product and has not been withdrawn the distributor complies with the terms of the TMD for the product the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor.

A distributor may provide general advice (such as marketing) as to the product through:

- advertising through comparison sites and rating agencies
- relationship or account managers
- authorised and accredited broker channels; and
- trade publications intended for professionals.

While these channels may be available to persons who would not at that time qualify for the product to be issued to them in a regulated sale, for example because they are minors or do not have the income to service the product the issue of the product is subject to the First, Second, and Third Conduct (as per above) which will ensure that the product is only issued to persons for whom it will be appropriate.

4. **When the TMD may no longer be appropriate**

Okre will cease all retail product distribution conduct (except any excluded conduct) in respect of the product within 10 business days of it identifying a review trigger, unless Okre determines that this TMD no longer continues to be appropriate or a new TMD has been made.

The events or circumstances that would reasonably suggest that the TMD is no longer appropriate are:

- **Material complaints** – Okre actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to consumer understanding of risks, key terms, conditions or features of this product.
- **Product performance and dealings** – Okre actively monitors product performance indicators relevant to the Product and will review the appropriateness of the TMD in circumstances where: (i) evidence shows that consumer usage is significantly different from original issuer expectations (e.g. a different product purpose); (ii) evidence shows that the Product is no longer meeting the financial situation, needs and objectives of the target market for whom the Product was designed (e.g. delinquency or default rates, product related hardship requests); (iii) evidence shows substantial sales outside of the Target Market; or (iv) evidence that the distribution of the Product or distributor conduct are significantly different to the expectations set out in this TMD.
- **Notification from ASIC** – If Okre receives a notification from ASIC requiring immediate cessation of product distribution, or particular conduct in relation to the product.
- **Feedback from distributors** – Reporting received from distributors, or consistent feedback from distributors that suggests that the target market or key product attributes may no longer be appropriate. Please also refer to the reporting section below.
- **Material adverse change to the external environment** – If the regulatory or legal environment for this product changes, or if there is a severe and adverse economic or market event.

The above events and circumstances described below will trigger a review of this TMD if Okre determines it may relate to the appropriateness of the TMD having regard to Okre's internal policies and regulatory guidelines. If a review is triggered, Okre will publish a notice of review on its website.

5. **TMD review period**

The Initial Review Period is six (6) months.

Each Following Review Period is twelve (12) months.

6. Complaints reporting period

The Complaints Reporting Period is six (6) months.

7. Information needed

The table below sets out the kinds of information needed for the Issuer to identify promptly whether a review trigger for the TMD has occurred or whether another event or circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, the distributors of the Product who should provide those kinds of information, and the reporting periods for when that information should be provided.

Information needed	Distributors who should provide this information	Reporting periods for when that information should be provided
A material change to the design or distribution of the Product.	All distributors	As soon as practicable, and in any event within 10 business days after becoming aware
Occurrence of a significant dealing outside the target market.	All distributors	As soon as practicable, and in any event within 10 business days after becoming aware.
External events such as material adverse media coverage or regulatory attention.	All distributors	Every 6 months
Feedback and complaints including, but not limited to: (a) number and nature of complaints, especially (but not limited to) those about declined hardship applications or payment of late fees when the customer has paid on time or is in a hardship arrangement with us; (b) customers being able to use the product before completion of the application process; (c) customers being able to transact over their credit application limit; (d) customers having applications approved if they have an overdue instalment or have not provided all the documentation required for verification of the application; (e)	All distributors	Every 3 months

<p>customers being charged late fees while they are in a hardship arrangement with us or there is a high number or proportion of customers paying late fees; (f) any evidence that the Product is not consistent with the target market determination.</p>		
<p>Any other information requested in writing by Okre from time to time subject to: the request being necessary to enable Okre to meet its legal and compliance obligations; and Okre providing at least 10 business days prior notice.</p>	<p>All distributors</p>	<p>As soon as practicable, and in any event within 10 business days after the request</p>