



Target Market Determination

Commodity Swap

Determination Criteria	Description
Start date	16/10/2021
First and ongoing review period	The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.
Product	Commodity Swap A transaction to buy or sell commodities.

Target Market

Target market & product attributes	Consumer needs and objectives	Product attributes
	A person that may seek to buy or sell a commodity at an agreed amount on a future date to manage the risk of commodity price movements.	This commodity swap transaction provides the ability to buy or sell a commodity for an agreed price at a future date.
	Consumer financial situation	Product attributes
	A person that will have the ability to settle the transaction.	This commodity swap transaction requires the settlement of the transaction on the future date.
Negative target market statement	Not suitable for a person that intends to use commodity swap transactions for speculative purposes.	
Appropriateness statement	NAB 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.	

Distribution Conditions

Authorisation This condition applies to all conduct	<p>Condition 1</p> <p>A distributor must:</p> <ul style="list-style-type: none"> • hold the relevant accreditation to distribute the product • use only approved recorded channels to distribute the product for traceability, auditing, record-keeping and access control purposes • provide all relevant disclosures and information while reviewing and negotiating but before concluding a client transaction, thereby allowing the client to make an informed decision as to whether to transact or not, as evidenced through the Markets customer relationship management system • perform a check on any client prior to dealing to determine whether or not there are any additional reporting/jurisdictional requirements due to that client
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	<ul style="list-style-type: none"> ensure the client has a sufficient credit limit established with NAB. <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the conduct, disclosure, "know-your-customer" and other checks.</p>
<p>General advice including Marketing</p> <p>This condition applies to general advice (including most marketing)</p>	<p>Condition 2</p> <p>A distributor must only provide general advice (such as marketing) if:</p> <ul style="list-style-type: none"> a Target Market Determination (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. <p>A distributor may provide general advice (such as marketing) as to the product through limited public channels such as:</p> <ul style="list-style-type: none"> advertising available on specialist periodicals related to commodity markets, specialist brochures and other marketing material available to the general public online and in NAB Retail Outlets as part of specific business service offerings in person communications through a NAB commodity specialist. <p>This condition is appropriate as the target market is relatively narrow as the product is specialised.</p> <p>It is intended that these channels may be available to persons who may not at that time require this kind of product, for example because they are not presently involved in any transaction that requires commodity based risks to be managed. This is because the issue of the product is subject to Distribution Conditions 1, 3, and 4 which will ensure that the product is only issued to persons for whom it will be appropriate.</p>
<p>Retail product distribution conduct (other than General Advice)</p> <p>These conditions apply to all retail product distribution conduct that is not general advice</p>	<p>Condition 3</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"> 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 ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and the distributor has complied with Condition 4. <p>A distributor must only engage in retail product distribution conduct through:</p> <ul style="list-style-type: none"> a NAB commodity specialist. <p>This condition is appropriate as the target market for issue of this product is narrow, limited to those that understand commodity products. It is also appropriate as the issuer has distributed this product using these methods, with considered risk to consumers.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (limited to dealing in the product)) if they have identified:</p> <ul style="list-style-type: none"> that the distribution of the product is consistent with the needs, objectives and financial

	<p>situation defined in the target market for the product</p> <ul style="list-style-type: none"> • that the consumer requires the product to manage an existing or contemplated commodity exposure, or has received appropriate financial advice; and • the consumer will not use the product wholly or partly for any form of speculation. <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>
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Review Triggers

Review triggers	<p>NAB and any distributor of this product, must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of NAB identifying a review trigger unless:</p> <ul style="list-style-type: none"> • NAB has determined that this TMD continues to be appropriate; or • a new TMD has been made. <p>The events and circumstances described below will trigger a review of this TMD if NAB determines it may relate to the appropriateness of the TMD having regard to NAB's internal policies.</p> <p>NAB will publish notice of a review on its website.</p>
Material complaints	NAB 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.
Feedback from distributors	<p>Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or product attributes may no longer be appropriate.</p> <p>Refer to Reporting.</p>
Substantial product change	<p>NAB makes a substantial change to the product terms, conditions or key product attributes including:</p> <ul style="list-style-type: none"> • adding to, removing or changing a product attribute • a substantial pricing change which impacts the consumer value proposition of the product • significant changes to a distribution channel and distribution strategy.
Significant change to the external environment	<ul style="list-style-type: none"> • Regulatory or legislative environment for this product. • Economic and market conditions.
Notification from ASIC	NAB receives a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.
Significant dealings	Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.

Reporting

Reporting period	<p>The Reporting Period for this determination is quarterly during each calendar year:</p> <ul style="list-style-type: none"> • First reporting period ending on 31 March. • Second reporting period ending on 30 June. • Third reporting period ending on 30 September. • Fourth reporting period ending on 31 December. 								
Reporting information	<p>A distributor must provide the following information in writing as soon as practicable or within 10 business days after the reporting period unless otherwise specified.</p> <table border="1" data-bbox="379 409 1498 1093"> <tr> <td data-bbox="379 409 571 629">Complaint information</td> <td data-bbox="571 409 1498 629"> <p>Complaints related to the risks, key terms, conditions or key attributes of this product including:</p> <ul style="list-style-type: none"> • the number of complaints • the nature and circumstances of the complaints • whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment. </td> </tr> <tr> <td data-bbox="379 629 571 752">Feedback from distributors</td> <td data-bbox="571 629 1498 752"> <p>Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market.</p> </td> </tr> <tr> <td data-bbox="379 752 571 904">Significant dealings</td> <td data-bbox="571 752 1498 904"> <p>If a distributor becomes aware of a significant dealing in the product or an issue with the distributor conduct that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.</p> </td> </tr> <tr> <td data-bbox="379 904 571 1093">Other information requested by NAB</td> <td data-bbox="571 904 1498 1093"> <p>Any other information requested in writing by NAB from time to time subject to:</p> <ul style="list-style-type: none"> • The request being necessary to enable NAB to meet its legal and compliance obligations; and • NAB providing at least 30 days prior notice before the end of the Reporting Period. </td> </tr> </table>	Complaint information	<p>Complaints related to the risks, key terms, conditions or key attributes of this product including:</p> <ul style="list-style-type: none"> • the number of complaints • the nature and circumstances of the complaints • whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment. 	Feedback from distributors	<p>Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market.</p>	Significant dealings	<p>If a distributor becomes aware of a significant dealing in the product or an issue with the distributor conduct that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.</p>	Other information requested by NAB	<p>Any other information requested in writing by NAB from time to time subject to:</p> <ul style="list-style-type: none"> • The request being necessary to enable NAB to meet its legal and compliance obligations; and • NAB providing at least 30 days prior notice before the end of the Reporting Period.
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