



## Product Development and Distribution Policy

Horizon Bank is committed to providing products that meet the needs, objectives and financial situation of our customers. When determining the target market for any product, we ensure the customer is the key focus throughout all stages of a products lifecycle. This commences at the design and development phase through to the decision to decommission a product. Our staff training and operational procedures are structured around this same customer centred approach.

Effective, 5<sup>th</sup> October 2021, a Target Market Determination will be available on our website for each of our products. These will ensure that the distribution of our products is in line with the target market they were designed for.

Our approach to the development and distribution of our products is summarised below

<b>DESIGN</b>	Our design considerations include, a) who we are developing the product for, b) what are the needs of that particular customer and c) does it meet the customer's financial situation. To assess this, we take into account market research, internal analysis and feedback from our existing customer base.
<b>DISTRIBUTION</b>	Our products are only distributed through Horizon direct channels which allows for greater control in ensuring they are only offered to the designated target market. We have systems and processes in place to ensure products are only sold to those customer types that will receive benefit from them. Training is in place for all staff to ensure they are fully aware of the intended target market. Our products may be offered in person, online or over the phone in accordance with all relevant legislation and distribution principles.
<b>REVIEW</b>	We regularly review our products in regards to their suitability to the target market. A review may be prompted should; <ul style="list-style-type: none"><li>- a change to the terms or pricing of the product</li><li>- legislative changes occur</li><li>- notable increases in complaints for the particular product</li><li>- feedback from regulators or consumers</li><li>- distribution has occurred that is not in line with the intended target market</li><li>- changes to the risks of the product that may be detrimental to the customer</li></ul>
<b>PRODUCT MODIFICATION AND DECOMMISSION</b>	A product review may highlight the need to modify the product structure, terms or distribution channels to ensure that it remains consistent with the needs, objectives and financial situation of the intended target market. Regulatory changes may also prompt a modification. Should a review identify that the product is no longer providing the intended purpose to the targeted customer type, the product may be decommissioned.

This policy is effective 5 October 2021 and will be reviewed annually.

DDO policy – October 2021

Horizon Credit Union Ltd ABN 66 087 650 173 AFSL and Australian Credit Licence Number 240573 trading as Horizon Bank