

Target Market Determination

RelloPay

Pay Later for Vendor Paid Advertising

Issuer: Rello Finance Pty Ltd, trading as "Rello" (ACN 633 994 859)

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Version: 2.0

1 About this Target Market Determination

1.1 Introduction

This document is the target market determination ("**TMD**") for consumers in the target market where payment and funding of marketing costs associated with selling a property is required ("**vendor paid advertising**"). The product is issued by Rello Finance Pty Ltd ("**Rello**").

Rello provides real estate agencies with payment solutions including an option to defer the costs associated with selling a property and is distributed through third parties.

This target market determination ("**TMD**") details a description of the product, including the key attributes and why the product is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market. It also specifies any conditions and restrictions on the distribution of the product, details distributor reporting requirements and sets out set review dates as well as the events or circumstances which will prompt us to review the TMD (Review Triggers).

This TMD is required under section 994B of the Corporations Act 2001 (Cth). This document is not intended to provide financial advice. It forms part of Rello's design and distribution framework for the product. It does not replace our terms and conditions or other disclosure documents that we may provide to our customers.

1.2 Product to which this Target Market Determination applies

This TMD applies to the payment and funding of marketing costs by Rello in return for a share of the sales proceeds. Real estate agencies require vendors selling a home to pay marketing costs associated with selling their property at the time of entering into an exclusive agreement with a Listing Agent to sell their property. Rello provides the vendor the payment option to pay upfront or defer to settlement the payment of such marketing costs normally associated with listing and selling a property.

1.3 Date from which this target market determination is effective

1 November 2022 (the Effective Date).

2 Product Description and Key Attributes

This RelloPay payment plan product is designed for customers (vendors) who require a deferred payment option for vendor paid advertising costs ("**VPA**"). When a vendor (a seller of a residential real estate property) agrees to sell their property, they will enter into an exclusive agreement with a Listing Agent to sell a property.

VPA costs may include:

- (i) property advertising and listing fees;
- (ii) property presentation (styling); and
- (iii) property improvement costs.

Under a pay later payment plan, Rello pays the agreed VPA for listing the property, to the Listing Agent. In exchange, the Vendor sells to Rello the right to receive an agreed amount form a share of the sale proceeds, which is paid to Rello at settlement of the property or on the release of the deposit, whichever is earliest.

A summary of terms which may apply to the product are set out below:

Purpose	▪ Funding for vendor paid advertising
User	▪ Owner of a residential property who has entered into an exclusive agreement to sell their property
Exclusions	▪ Commercial Property, vacant land, industrial property, and property developments.
Advance Amount	▪ Up to a maximum of 2% of target selling price capped at \$25,000
Fees	▪ A service fee is payable based on the Advance Amount and is payable on the due date. ▪ A Vendor may extend the Buy-Back date subject to approval by Rello.
Repayment	▪ The Advance Amount and service fee is payable by the vendor on the earlier of settlement date, release of the deposit, date withdrawn from sale, or 180 days.

3 Target Market

The information below summarises the overall class of consumers that fall within the target market for this product, based on the key product attributes, the likely objectives, financial situation and needs that it has been designed to meet.

3.1 Target Market for the Product

Customers for this product are vendors who are selling residential real estate property and have signed an exclusive sales authority with a licensed real estate agency. The vendors wish to defer paying the costs of marketing their property, until the proceeds of settlement are available.

The pay later payment plan for funding marketing costs has been designed for vendors, that require a deferred payment option to fund their VPA to maximise the chance of achieving their target selling price (the **Target Market**).

A typical summary of VPA costs includes:

- Listing fees with Domain and realestate.com
- Styling and presentation costs
- Floor plan, print, photos, video costs
- Improvement costs
- Auction fees

Rello has concluded that this product is consistent with the likely objectives, financial situation and needs of individuals in the Target Market.

The value for the Vendor includes:

- Ensures that funds are available to market the property appropriately, to achieve the vendor's target selling price;
- Matches payment by the vendor of the costs of pursuing a sale with the availability of proceeds from completing the sale; and
- Effective marketing potentially reduces the time a property is on the market, as well as maximising selling price.

3.2 Product Eligibility

To be eligible for a pay later payment plan to fund for Marketing Costs, a Vendor must;

- be at least 18 years old;
- be a permanent resident or citizen of Australia;
- have verifiable mobile telephone number and a valid address in Australia;
- hold a valid ID with either a drivers licence or passport;
- have an Australian issued debit/credit card to apply; and
- have signed an exclusive sales authority with a Rello onboarded real estate agency.

4 How this product will be distributed

The pay later payment plan for Marketing Costs product is distributed by Rello via a licensed real estate agency ("**Agency**").

4.1 Distributor Onboarding

Each distributor, an Agency is required to be onboarded with a Rello Account to use the Rello Platform and make available Rello's products. Each Agency must satisfy our know-your-customer and AML/CTF requirements and any other checks we deem necessary. Each Agency is provided with appropriate training to not make any false or misleading representation or statement about us or about the product.

4.2 Vendor Onboarding

Each Vendor makes their own assessment once agreeing to the VPA costs with their Listing Agent to make an upfront payment of defer the costs associated with selling their property.

A vendor will receive SMS/email communication from the Listing Agent with a “Pay Now” and “Pay Later” payment option for VPA costs once they have secured an exclusive sales listing authority.

Vendors that select the “Pay Later” option are onboarded directly, completing an ID verification, and once verified, are presented with a payment schedule online along with the product terms and conditions. Prior to accepting the terms and conditions, the Vendor is required to review, consent, and agree to their contractual obligations and the Rello privacy policy.

4.3 Adequacy of distribution conditions and restrictions

We have determined that the distribution conditions and restrictions will make it likely that consumers who open the product are in the class of consumers that require a deferred payment option for costs associated with listing and preparing a property for sale.

We consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the Target Market for whom the product has been designed.

5 Reviewing this TMD

Rello has implemented the following monitoring program for the product which is designed to trigger a review of this TMD.

5.1 Review periods and review triggers

The features of the product, and this Target Market Determination, will be reviewed no later than 12 months after the date of this Target Market Determination, and thereafter annually each October to assess the product’s continued suitability for the objectives, financial situation and needs of Agencies in the target market. Reviews will take into account:

- Quarterly review of the appropriateness of the product limits.
- Quarterly review of the performance of each distribution method;
- Quarterly review of product and portfolio performance;

We will collect information on the number applications, number of active payment plans and repayments in relation to this TMD on a monthly basis.

The following circumstances (**review triggers**) will trigger an earlier review of this Target Market Determination, and of the suitability of the product to the target market:

- If overdue account balances exceed 10% of the total outstanding balances; and
- If the ratio of complaints received to new payment plans issued exceeds 5% in any quarter.

6 Reporting and Monitoring the TMD

6.1 Product complaints

Distributors must report all complaints they receive in relation to the product to us by the middle of each month. The report must include the following:

- the number of complaints,
- the identity of the distributor;
- the product name;
- the customer name; and
- the exact details of the complaint.

6.2 Significant dealings

Distributors must report any significant dealings to us within 10 business days of becoming aware of the dealing.