Target Market Determination
Foreign Exchange Option [FX Option]

Determination Criteria	Description
Start date	17/08/2026
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	**Foreign Exchange Option [FX Option]** A transaction that provides the buyer of the option the right, but not the obligation, to buy or sell foreign currencies at an agreed rate on an agreed date in the future.

Target Market

<table>
<tr><td rowspan="2">Target market & product attributes</td><td>Consumer needs and objectives</td><td>Product attributes</td></tr>
<tr><td>A customer that has foreign currency transaction requirements and is seeking to manage the risk of foreign currency exposures.

Customers may have foreign currency transaction requirements, for example, where they:
import or export goods or services with payments in foreign currencies.
borrow with payments and repayments in foreign currencies.
invest in overseas asserts or other investments that are denominated in foreign currencies.
repatriate overseas profits or other funds.</td><td>A foreign exchange option transaction provides:
The right but not the obligation to buy or sell a specified amount of one currency in exchange for another currency at an agreed rate on an agreed date in the future.
A Bought Call Option provides the right but not the obligation to buy a specified amount of one currency in exchange for another currency at the agreed rate on the settlement date.
A Bought Put Option provides the right but not the obligation to sell a specified amount of one currency in exchange for another currency at the agreed rate on the settlement date.</td></tr>
<tr><td></td><td>Consumer financial situation</td><td>Product attributes</td></tr>
<tr><td></td><td>A customer that will have the financial means to settle the transaction.</td><td>A foreign exchange option transaction requires the settlement of the transaction where the option is exercised.</td></tr>
<tr><td>Negative target market statement</td><td colspan="2">Not suitable for a customer that intends to use foreign exchange option transactions for speculative purposes.</td></tr>
<tr><td>Appropriateness statement</td><td colspan="2">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 customers in the target market.</td></tr>
</table>

Distribution Conditions

Authorisation This condition applies to all conduct	**Condition 1** A NAB foreign exchange specialist must: • 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 customer transaction, thereby allowing the customer 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 customer prior to dealing to determine whether or not there are any additional reporting/jurisdictional requirements due to that customer • ensure the customer has a suitable credit limit established with NAB. This condition is appropriate as it ensures NAB foreign exchange specialists are appropriately authorised to provide the financial product and will comply with the conduct, disclosure, "know-your-customer" and other checks.
General advice including Marketing This condition applies to general advice (including most marketing)	**Condition 2** A NAB foreign exchange specialist must only provide general advice (such as marketing) if: • a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn • NAB 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 NAB. NAB may provide general advice (such as marketing) as to the product through limited public channels such as: • a NAB approved portal (such as internet banking) • in person communications through a NAB foreign exchange specialist. This condition is appropriate as the target market is relatively narrow as the product is specialised. It is intended that these channels may be available to customers who may not at that time require this kind of product, for example because they are not presently involved in any transaction that requires foreign exchange-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 customers for whom it will be appropriate.
Retail product distribution conduct (other than General Advice) These conditions apply to all retail product distribution conduct that is not general advice	**Condition 3** NAB 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 • NAB complies with the terms of the TMD for the product • ASIC has not issued a Product Intervention Power restricting the distribution of the product ; and • NAB has complied with Condition 4. NAB must only engage in retail product distribution conduct through: • a NAB foreign exchange specialist. This condition is appropriate as the target market for issue of this product is narrow, limited to those

	that understand foreign exchange products. It is also appropriate as has distributed this product using these methods, with considered risk to customers. **Condition 4** A NAB foreign exchange specialist must only engage in retail product distribution conduct (limited to dealing in the product) where: • the distribution of the product is consistent with the consumer's needs, objectives and financial situation as defined in the target market • the customer requires the product to manage an existing or contemplated foreign exchange exposure, or has received appropriate financial advice; and • the customer will not use the product wholly or partly for any form of speculation. This condition is appropriate as it requires NAB to confirm that the customer is in the target market.

Review Triggers

Review triggers	NAB 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: • NAB has determined that this TMD continues to be appropriate; or • a new TMD has been made. 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. NAB will publish notice of a review on its website.	
	Material complaints	NAB actively monitors customer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to customer understanding of risks, key terms, conditions or features of this product.
	Product performance	NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where: • evidence shows that customer usage is significantly different from NAB's original expectations (e.g. a different product purpose) • 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 • evidence shows substantial sales outside of the Target Market.
	Feedback from distributors	Not distributed by third parties outside of NAB.
	Substantial product change	NAB makes a substantial change to the product terms, conditions or key product attributes including: • adding to, removing or changing a product attribute • a substantial pricing change which impacts the customer value proposition of the product • significant changes to a distribution channel and distribution strategy.
	Significant change to the external environment	• 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 NAB foreign exchange specialist's conduct is significantly different to the expectations set out in the TMD.

Reporting

Reporting period	The Reporting Period for this determination is quarterly during each calendar year: • 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	A NAB foreign exchange specialist must provide the following information in writing as soon as practicable or within 10 business days after the reporting period unless otherwise specified.	
	Complaint information	Complaints related to the risks, key terms, conditions or key attributes of this product including: • 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	Not distributed by third parties outside of NAB.
	Significant dealings	If NAB becomes aware of a significant dealing in the product or an issue with a NAB foreign exchange specialist's conduct that is not consistent with the TMD, NAB must notify the regulator in writing as soon as practicable, and in any event within 10 business days after becoming aware.