Product Governance and Distribution Policy

Compliance Policy | Global

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Replace all references to "the Company" with your organisation's name.

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Policy Administration

1. Purpose

This Policy sets out how the Company governs the design and distribution of its retail products, so that every product is designed for an identified target market, distributed through channels likely to reach that market, monitored against real customer outcomes, and reviewed, corrected or withdrawn when it is not performing as designed. It establishes the requirements for making, approving, monitoring and reviewing Target Market Statements (TMSs), for selecting and overseeing distributors, and for identifying, escalating and remediating significant distribution events.

The Policy implements the international consensus that responsibility for customer outcomes follows the product through its whole lifecycle and its whole distribution chain, anchored in the G20/OECD High-Level Principles on Financial Consumer Protection (2022) and drawing, as reference models rather than requirements, on the EBA Guidelines on product oversight and governance, the MiFID II product governance regime and the UK FCA's PROD sourcebook and Consumer Duty. Where a conduct regulator imposes its own product governance regime, this Policy is the common operating framework onto which those local requirements are mapped.

This Policy is approved by the Board of Directors, is owned by the Chief Compliance Officer, and forms part of the Company's compliance management framework. It operates alongside the Conduct Risk Policy, the Dispute Resolution Policy, the Unsolicited Contact and Sales Policy, the Outsourcing Policy and the Exceptions and Override Policy. It also operates alongside the Company's marketing and financial promotions standards, which are a separate document the organisation must produce and maintain.

2. Scope

This Policy applies to the Company and its controlled entities, and to all directors, employees, contractors and agents involved in the design, approval, pricing, marketing, distribution, sale, servicing, review or withdrawal of in-scope products. It applies across all distribution channels, including branch, contact centre, digital and mobile channels, and all third-party channels.

This Policy applies to:

- all deposit, savings, payment and transaction products the Company issues to retail customers;
- all credit products the Company issues to retail customers, including [home loans, personal loans, credit cards, overdrafts and consumer asset finance];
- any other retail product the Company manufactures or materially varies, as recorded in the Product Register (Appendix A); and
- distribution conduct undertaken by the Company as a distributor of products manufactured by third parties, where applicable.

Products offered only to wholesale, professional or institutional counterparties are outside the scope of the TMS requirement but remain subject to the Product

Approval Process. The Product Governance Committee may approve a simplified TMS for simple, mass-market products with low potential for customer harm; the supporting proportionality assessment must be documented by the Chief Compliance Officer and re-confirmed whenever the product's features, pricing or channels change.

Jurisdictional application: this Policy states international best practice for product governance and distribution. The Company must map the requirements of this Policy to the law and conduct-regulator rules of each jurisdiction in which it operates, including any statutory target market, product intervention, suitability, notification or publication requirements, and where local law imposes a stricter or additional requirement, local law prevails.

3. Definitions

Term	Definition
Product Governance	The end-to-end systems, controls and accountabilities through which the Company designs, approves, distributes, monitors, reviews and, where necessary, withdraws or remediates products, so that each product remains consistent with the needs of, and delivers fair outcomes for, the customers for whom it is intended.
Manufacturer	The Company in its capacity as the entity that creates, develops, designs, issues or materially varies a retail product, whether alone or jointly with another firm.
Target Market Statement (TMS)	A written statement, approved under this Policy for each in-scope product, describing the target market, the negative target market, the distribution strategy and distribution conditions, product review triggers, review periods and distributor information reporting requirements for that product.
Target Market	The class of customers described in the Company's target market statement for a product, whose likely objectives, financial situation and needs the product, including its key attributes, is likely to be consistent with, together with any conditions on how the product may be distributed.
Negative Target Market	The class of customers for whom a product is clearly unsuitable and to whom it must not be actively marketed or distributed.
Retail Customer	An individual, or a small business the Company classifies as retail under its customer classification standards or

	applicable local law, who acquires a product or service otherwise than as a professional, institutional or wholesale counterparty.
Distributor	Any person other than the Company acting solely as manufacturer who markets, offers, recommends, arranges or sells a Company product to retail customers, including brokers, aggregators, referrers, agents, appointed intermediaries and digital platform partners.
Distribution Conditions	The conditions and restrictions specified in a TMS on how a product may be marketed and sold, including permitted channels and sales methods, eligibility screening, staff accreditation requirements and marketing restrictions.
Distribution Strategy	The manufacturer's documented plan for how a product will reach its target market, covering channels, distributor types and the advice or non-advice sales model.
Product Approval Process	The Company's mandatory gated process for approving the design, launch, material variation, distribution strategy and withdrawal of retail products, operated through the Product Governance Committee.
Product Governance Committee (PGC)	The management committee responsible for operating the Product Approval Process, approving TMSs and TMS reviews, and overseeing product outcome monitoring and remediation.
Product Owner	The executive or senior manager accountable for a specific product, including drafting and maintaining its TMS, monitoring product outcomes, and initiating product reviews.
Product Review Trigger	An event or circumstance specified in a TMS, or in this Policy, that would reasonably suggest the TMS is no longer appropriate or the product is no longer delivering fair outcomes, and that requires a product review to commence.
Review Period	The maximum period specified in a TMS between approval of the TMS and its first review, and between successive periodic reviews, in the absence of a product review trigger.
Significant Distribution Event	Distribution of a product that is materially

	inconsistent with its TMS or distribution conditions and that is significant under the criteria in this Policy, having regard to the customers affected, actual or potential harm, and the nature, extent and duration of the inconsistency.
Fair Value	A reasonable relationship between the total price a customer pays for a product, including all fees, charges and margins, and the benefits the customer can reasonably expect to obtain from it, assessed for the product's target market over its expected life.
Vulnerable Customer	A customer who, because of personal or situational circumstances — such as age, disability, health or cognitive conditions, low financial resilience, capability or literacy, family violence, financial or elder abuse, bereavement, remoteness, or language barriers — is especially susceptible to harm or detriment.
Product Outcomes Data	The information collected to monitor whether products are reaching their target markets and delivering fair outcomes, including sales and channel data, complaints data, distributor reports, cancellation, dormancy, arrears and hardship metrics, and sales outside the target market.
Remediation	The structured programme of activity by which the Company identifies the customers affected by misconduct, a breach or a product design or distribution failure, notifies them, and restores them as nearly as possible to the position they would have been in had the failure not occurred, including through refunds, cancellation, replacement or compensation.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
G20/OECD High-Level Principles on Financial Consumer Protection (2022)	Establish the international baseline this Policy implements, including the principles on product design, target market identification, fair treatment, disclosure,

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.