



SalaryFlex™ Target Market Determination

1. About this document

This Target Market Determination (**TMD**) describes the customers for which SalaryFlex's Salary Access Solution has been designed, taking into account their objectives and needs. It also describes the conditions by which the product is distributed to consumers, and the events or circumstances where SalaryFlex™ is required to review the TMD.

This TMD is not to be treated as a full summary of SalaryFlex's Salary Access Solution terms and conditions and is not intended to provide financial advice. Consumers interested in using the product should refer to the SalaryFlex™ customer (employee) Terms and Conditions which are available on the SalaryFlex App, and SalaryFlex's website (www.salaryflex.com.au) for detailed product information.

This TMD relates to SalaryFlex's Salary Access Solution only and is effective from 13 July 2023.

2. Target market

Objectives, financial situation and needs of the target market

SalaryFlex's Salary Access Solution is targeted at consumers who need access to a short-term salary advance to smooth some or all of their salary and/or cover expenditure or expenses which may fall due between their employer's pre-defined payroll periods.

Specifically, this product is targeted towards consumers who:

- meet SalaryFlex's eligibility criteria;
- have the objective of:
 - obtaining short-term advance(s) for a small transaction fee (up to 5% of the transaction amount) or for free (where the transaction fee is fully funded by the employer), where there is no interest, set up fees or late fees; or
 - gaining access to their salary (up to a pre-approved limit) in advance of their employer's pre-defined payroll period; and
- earn enough to repay the advanced amount plus any applicable transaction fee(s) from their salary on the repayment date.

SalaryFlex™ partners with employers to offer their employees cash flow flexibility through a responsible short-term salary advance arrangement.

Key eligibility requirements

To be eligible for SalaryFlex's Salary Access Solution, new consumers must meet all of the following eligibility requirements:

- be at least 18 years of age;



- be an Australian resident or have a valid visa;
- satisfy a KYC check; and
- be employed by, and currently earning sufficient income from, an employer who has partnered with SalaryFlex™ to provide SalaryFlex's Salary Access Solution to its employees (**Employer Partner**).

Excluded class of consumers

This product has not been designed for individuals who:

- are not at least 18 years of age;
- are non-Australian residents or do not have a valid visa;
- do not satisfy SalaryFlex's KYC check;
- are not employed by an Employer Partner; or
- are seeking sums above \$2,000 of their net after-tax income from the Employer Partner in a pay cycle.

Key features and description of the product

SalaryFlex's Salary Access Solution is a short-term salary advance that allows employees of an Employer Partner (**Employee**) to access their income (up to a pre-approved limit) before their Employer Partner's pre-defined payroll period via the SalaryFlex™ mobile app.

Depending on SalaryFlex's relationship with the Employer Partner, an Employee will either be provided with free access to this product (where the Employer Partner funds the transaction fee in full) or pay a maximum of 5% per advance.

The term will be aligned with the Employee's pay cycle, which may be weekly, fortnightly or monthly. Where an advance is made after the payroll cut-off date, the term will be extended to the Employer Partner's following payday. There will not be any additional fees charged by SalaryFlex™ to the user beyond a maximum of 5% per advance.

SalaryFlex's Salary Access Solution has the following key attributes:

- Approved Employees can access up to \$2,000 of after-tax income in each pay cycle, subject to their pre-approved limit (**Advance**);
- SalaryFlex™ does not charge interest, late fees or penalties on any Advance, but depending on the relationship with the Employer Partner, a transaction fee of up to 5% per Advance may be charged to the Employee;
- Each Advance is repaid on the Employee's behalf via a deduction from their pay facilitated via the Employer Partner, or a direct debit arrangement, on the same day their income from their Employer Partner is normally paid to them (however if the advance is made after the payroll cut-off for the upcoming pay, then the deduction will be made from the Employee's pay on the Employer Partner's following scheduled payday);



- In certain circumstances, such as when the Employee's employment has been terminated, the Employee authorises SalaryFlex™ to direct debit the repayment amount from the Employee's nominated account on the nominated repayment date(s); and
- The term is specified at the point in time an Employee requests to withdraw money, up to a maximum of 62 days.

Consistency between target market and the product distribution

The distribution of SalaryFlex's Salary Access Solution is consistent with the target market on the basis that:

- It has been designed and distributed as an employee benefit to Employer Partner organisations to support employee financial wellbeing by providing eligible employees the ability to access up to \$2,000 of their net after-tax income per pay cycle at any stage in the Employer Partner's pre-defined payroll period;
- The eligibility criteria has been designed to align with the characteristics of the target market - only those who are employed by an Employer Partner, are at least 18 years of age, are an Australian resident or hold a valid visa and satisfy SalaryFlex's KYC check are able to use SalaryFlex's Salary Access Solution;
- SalaryFlex™ allows Employees who are currently employed by an Employer Partner to obtain a salary advance during the Employee's pay cycle. To ensure that SalaryFlex™ is only distributed to consumers who are in that situation, SalaryFlex™ is offered through Employer Partners. The Employee's employment status and sufficiency of after-tax net salary to cover the Employee's advance limit and any transaction fees per paycycle is verified either with the Employer Partner (including via the Employer Partner's payroll system) and/or by the Employee's bank. An advance is only provided to the Employee following verification and always only at their initiation; and
- The key attributes of SalaryFlex's Salary Access Solution have been designed to meet the likely objectives, financial situation and needs of employees in the target market described above.

3. Distribution conditions

Distribution channels

This product is designed to be distributed via access to SalaryFlex's member-only mobile application (**App**). Marketing will be conducted largely through Employer Partners who aim to improve their employees' financial wellbeing, which is aligned with SalaryFlex's mission. As part of an Employer Partner's wider benefits programs, Employees can access SalaryFlex's Salary Access Solution by downloading the App and signing up as a SalaryFlex™ customer.

Distribution conditions

This product should only be distributed to individuals under the following circumstances:

- The individual meets the eligibility requirements;



- The individual earns at least the amount required to repay the amount the Advance(s), plus any applicable transaction fees, within a single pay period; and
- The individual is approved for SalaryFlex's Salary Access Solution in accordance with SalaryFlex's internal policies and procedures and applicable laws and regulations.

Adequacy of distribution conditions and restrictions

SalaryFlex™ has assessed the adequacy of the distribution conditions and restrictions of its Salary Access Solution and formed the view that they are appropriate for the following reasons:

- SalaryFlex™ will have oversight of how the product is promoted and issued;
- SalaryFlex's Salary Access Solution is distributed with an Employer Partner's support which helps ensure that consumers who obtain the product are eligible; and
- the marketing and distribution channels for SalaryFlex's Salary Access Solution are selected based on an assessment of the distribution conditions and restrictions to determine that they are appropriate and will assist the distribution being directed towards the target market for whom the product has been designed.

4. Reporting obligations

SalaryFlex™, as the sole distributor of its Salary Access Solution, is required to report information to the SalaryFlex™ Board or a delegated Committee, annually commencing at the end of the financial year. Within 10 business days of the end of the reporting period, a distributor must provide SalaryFlex™ with the information set out below:

Complaint information	<ul style="list-style-type: none">• Whether the distributor received any complaints in relation to the product;• The number of complaints received;• The nature and circumstances of the complaints;• Whether the consumer is likely to experience any harm or detriment and if so, particulars of that harm or detriment.
Feedback from distributors	<ul style="list-style-type: none">• Any information that suggests that the TMD is no longer appropriate or that the product is not meeting the needs of the target market.
Default and dishonour rates	<ul style="list-style-type: none">• The number of defaults that occurred, including information about how many dishonour were from the same customer.• The number of dishonours that occurred, including information about how many dishonour were from the same customer.
Adverse media coverage and regulatory attention	<ul style="list-style-type: none">• Details of any adverse media coverage or regulatory attention that arose in respect of the distributor's activities.



5. Review triggers

We will review this target market determination in accordance with the below:

Initial review	By September 2024
Periodic reviews	At least every two years following the initial review
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none">• A material change to the design or distribution of the product, including related documentation;• Distribution conditions found to be inadequate;• External events such as adverse media coverage or regulatory attention;• A significant increase in the number of complaints received from customers who use the product;• Changes to pricing structures, such as the introduction of interest, late fees or other material modifications (not including discounts);• Material increases or decreases in default and dishonour rates;• Material changes to KYC/AML requirements;• Material changes to the terms and conditions; or• Material changes to the regulatory framework governing the product.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.