

Target Market Determination

Flexewallet Pty Ltd (164 657 032) – VISA Prepaid Cards

1. About this document

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

Product that this TMD applies to

This TMD applies to Visa Prepaid Cards issued by Flexewallet Pty Ltd (Flexewallet). Flexewallet is the holder of AFSL no. 448066 and is authorised to provide general advice in relation to and deal in non-cash payment products. Novatti Group Ltd (Novatti) is a related entity of Flexewallet and holds a Visa Principal Issuer License which permits Novatti to issue Visa Prepaid Cards.

Date from which this target market determination is effective

15th February 2024

2. Class of consumers that fall within this target market

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

This Visa Prepaid Card product has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). The Visa Prepaid Card product is customisable and is broadly for individuals and entities who:

- o wish to have access to the Visa Global Acceptance Network of merchants for payment of purchases using their money;
- o would like to use prepaid cards for various budget purposes and only fund it with the amount of funds they know they will use/need;
- o would like to attach a Visa Prepaid Card to a digital wallet holding value, giving consumers the ability to utilise the held value more broadly; or
- o would like to provide Visa Prepaid Cards to their employees or customers for a specific purpose.

Product description and key attributes

- o Visa Prepaid Cards are not like debit cards – it is not linked to a consumer's bank account.
- o Visa Prepaid Cards are also not like credit cards as there is no line of credit made available to the consumer.

- o The Visa Prepaid Card holds only the funds that the consumer selects to deposits to the card for their purchasing needs.
- o The Visa Prepaid Card cannot be overdrawn so there are no overdraft fees that can be applied.
- o In physical card format, the Visa Prepaid Cards can be used to make purchases at all POS devices that accept VISA by tapping or inserting the Visa Prepaid Card and authorising a transaction with PIN.
- o The Visa Prepaid Cards are usually not able to be used at ATMs for cash withdrawals. (If a customer would like to use the Visa Prepaid Cards for ATM withdrawals, this request would need to be reviewed and approved by Flexewallet's compliance team).

Eligibility requirements

Key Eligibility Requirements for entities:

- o Australian private companies, public companies, trusts, sole traders, partnerships and charities (collectively referred to as ("SMB Customers")) are all eligible to apply for VISA Prepaid Cards.
- o SMB Customers can apply for a set number of Visa Prepaid Cards via Novatti's website or mobile app.
- o The SMB Customer must confirm the VISA Prepaid Cards will be used for a particular business/charity related purpose.
- o The SMB Customer must pass Flexewallet's due diligence requirements and directors and ultimate beneficial owners must pass KYC checks.
- o If the SMB Customer requests more than 10 VISA Prepaid Cards, they must provide identification documents for all directors and ultimate beneficial owners.

If all eligibility requirements are met, the SMB Customer can provide the Visa Prepaid Cards to their employees or customers to use in line with the predefined purpose.

Key Eligibility Requirements for individuals:

- o Australian resident.
- o Over 16 years of age.
- o If the individual is under 18, parental approval must be obtained.
- o KYC checks must be passed.

Product Attributes

- o 16 digit account number and PIN are assigned
- o Activation of the card is usually via 2 factor authentication of the client
- o CVV also included for account verification for ecommerce purchases
- o Physical plastic card with an EMV chip for security purposes
- o Purchases at POS may require use of the PIN for verification
- o Balance and transaction tracking usually made available via a website or mobile application associated with the card program
- o Expires within 3-5 years

- o Cards are mailed to the consumer attached to a card carrier providing instructions on how to activate the card (it is dormant until activation is completed)
- o Card and account activation is performed online or via mobile app
- o PIN Mailer is sent independently of the card for security purposes

Customisable

The Visa Prepaid Cards can be customised by Distributors and SMB Customers to meet different use cases. The product can be customised in a number of different ways to alter how the Visa Prepaid Card can be used, displayed, accepted or accessed.

Objectives, financial situation, and Needs

This product is designed for individuals or entities who meet one or some of the objectives and needs below:

- o Have a desire to budget or control how much they spend by only loading funds to the account that they know they can afford to use.
- o Want to minimise the risk of personal bank accounts being compromised or used inconsistently with predetermined budget or purpose.
- o Cardholders making purchases online can use the Visa Prepaid Card with the added security of not being linked to their line of credit or their personal bank accounts. This product provides comfort to consumers who may be wary of e-commerce purchasing.
- o The product can be used to make bill payments without the need to give away private banking information. Regular payments can be set up and deducted from accounts connected to the Visa Prepaid Card.
- o Want access to a variety of payment methods (e.g. Google, Apple, Samsung Pays).
- o who need to provide funds to someone else (e.g. to buy their groceries or to give employees petty cash).
- o who need to invoice clients.
- o Who would like to have access to rewards that accumulate when they make purchases.
- o Who would like to access their funds in association with an ewallet reward application for making purchases and accepting offers/discounts/benefits from participating merchants/retailers instore and online.

Financial Situation

This product is designed for individuals and entities who meet one or some of the financial situations below:

- o who have access to funds and would like to (or need to) control how much they spend.
- o who would like to pay for goods and services in a variety of ways (e.g. using Google, Apple, Samsung Pays, at physical points of sales, online).
- o Have some form of income or access to government support payments.

Consistency between target market and the product

This product meets multiple needs in the market. It is versatile and fit for purpose for conversion of digital assets to fiat currency, it can be loaded with consumer funds it can issued as single use (gift card) or as a reloadable card, allowing consumers to use it over and over again by topping up the balance of the card directly via bank transfer from an account or another card or by conversion of their digital assets to fiat. The product is suitable for children (to teach them how to use a card with minimum risk) through to people that have never had or never qualified for a card product previously. It is a great budgeting tool and is accepted just like every other card in the market branded with Visa.

3. How this product is to be distributed

Distribution channels

This product is designed to be distributed through the following means:

1. **Direct to Small to Medium Businesses (SMB):** Flexewallet may distribute VISA Prepaid Cards directly to SMB Customers.
2. **Third-Party Program Managers:** The Visa Prepaid Card can be white-labelled and distributed by Third-Party Program Managers.
3. **BIN Sponsorship Distributors :** Under a BIN Sponsorship arrangement, distributors will enter into agreements with Flexewallet and Novatti which will allow the distributor to manage and distribute the VISA Prepaid Cards.

Distribution conditions

The VISA Prepaid Cards should only be distributed under the following circumstances:

- o Third-Party Program Managers and BIN Sponsor Distributors must distribute the VISA Prepaid Cards in line with Flexewallet’s AML/CTF Program.
- o SMB Customers must provide a suitable business or charity use case for the Visa Prepaid Cards.
- o For individuals under 18 years of age, parental approval must be obtained.
- o Individuals and SMB Customers must read the product terms and conditions and PDS before using the VISA Prepaid Card.

Adequacy of distribution conditions and restrictions

It has been determined that the distribution conditions are appropriate in the circumstances and will result in the product being distributed to consumers that fall within the target market.

4. Reviewing this target market determination

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

Initial review	Within the 60 days of the effective date.
Periodic reviews	Annually. The first review is to occur 12 months from the effective date of the TMD.

Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • occurrence of a significant dealing; • distribution conditions found to be inadequate; • relevant external events such as adverse media coverage or regulatory attention related to the Visa Prepaid Card; and • Significant increase in number of complaints (i.e. more than 8 complaints per month). • Significant increase in inactivity of cards (i.e. more than 80% of card base for a particular account per year). • Significant increase in fraudulent transactions (i.e. more than 1% of total card \$ volumes spent). • Significant adverse findings in a risk assessment based on known data.
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Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

5. Reporting and monitoring this target market determination

We may collect the following information in relation to this TMD.

Complaints	Distributors will report all complaints in relation to the product(s) covered by this TMD on a monthly basis. This will include written details of the complaints.
Significant dealings	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.
Visa Chargeback Rules	Any chargeback raised contains full transaction details, a summary of the reason for the dispute (as per industry standard) and is processed within industry guidelines within the timeframes set out in Chargeback Rules for a particular reporting period.
VISA Disputes	Visa have a Disputes Processing program that allows disputes to be raised and resolved within strict industry agreed timelines – as issuers all disputes are tabled by Novatti directly to this system so we are aware of any consumer dispute raised for resolution.
Inactivity of Cards	Distributors will report data about the inactivity of VISA Prepaid Cards covered by this TMD on a monthly basis.
Fraud	Distributors will report data about any fraudulent transactions or suspected fraudulent transactions connected to the VISA Prepaid Cards covered by this TMD on a monthly basis.
Business Use Cases	For SMB Customers, distributors will report information about the different business and charity uses the VISA Prepaid Cards are being used for.