



Target market determination

Issued by Hay Limited

ABN 34 629 037 403

Australian financial services licence AFSL no. 515459

Hay® is a registered trade mark

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01 Hay TMD overview

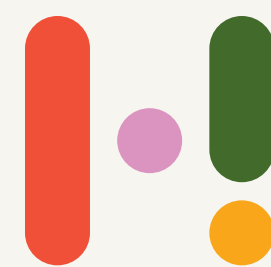
The Target Market Determination (TMD) is a formal document, accessible on request by customers and regulators and covers the following;

- describes the class of end-user clients who are the target market for the product;
- specifies any conditions and restrictions on retail product distribution conduct;
- specifies events and circumstances that would suggest the TMD is no longer appropriate;
- specifies maximum review periods;
- specifies reporting periods for when complaints about the product should be given by the distributor to the issuer to set the core information needed to promptly determine that a TMD may no longer be appropriate and specify which distributors should provide those kinds of information and reporting periods for providing the information.

The Hay Limited issued BIN, BSB and Account form a financial product that can access either or both scheme and non-scheme rails and is regulated by the Corporations Act and ASICs AFSL regulations.

Hay Limited is a principal member of Visa International and issuer of reloadable Visa pre-paid and debit cards. Customers can load value onto the card to make payments wherever Visa pre-paid or debit cards are accepted (Hay Card). The Hay Card is linked to a digital account (not a bank account) that can be





accessed via Hello Hay App. As an Australian Financial Services Licence holder, Hay holds customer funds with an approved Australian Authorised Deposit-taking Institution (ADI). Through the Hay Limited issued PDS, FSG and T&Cs, a Clients customer is made aware that Hay is not a bank, and Hay Limited issued non-cash payment accounts are not protected under the Financial Claims Scheme (FCS).

02 Hay retail core features

The Hay core product is made up of two essential parts;

- BSB and Account to accept funds and out using non-scheme payment rails (NPP and DE);
- An International Scheme (Visa) BIN number that enables purchases and refunds, instore or using card not present (CNP) channels;

Building on these core features, Hay has added the following;

- Funding and Transfer via NPP or DE
- Digital Wallets via Apple Pay and Google Pay
- BPay bill payment (BPAY Payer)
- PayID creation and registration
- Direct Debits





With these base capabilities, the additional services and features accessible are:

- Real-time information
 - visualised data about your Hay account
 - notifications and detailed transaction data to help customers understand their financial position and spending
 - See your balance in local currency when overseas so customers can track balances and spending
- Exchange rates online and abroad with \$0 fees, markup, or limit on international transactions
- Cashback rewards when you refer and advocate others to join
- Account security and control settings the customer can manage to meet their needs
- 85% Biodegradable physical Visa card.

03 Target market

Target customer profile

- Australian Citizens and valid visa holders can meet the established Australian KYC process for financial services.
- Platform customers can use Hay processes or reference the agreed procedures Hay agrees to via the agreement and business set up phase.





- Individual consumers with an Australian bank transaction account and SME business clients detailed in the Financial Crime Annexure (acceptable account types)
- Customers who have, use and are familiar with their smartphone.
- Consumers looking to increase convenience, control, and flexibility in their financial lives using their smartphones.
- Australian outbound travellers looking for attractive FX rates, reduced fees and wish to be presented with balances in the currency of their choice to improve their budgeting further – spend like a local.
- A frequent user of the product, i.e., regular use daily to weekly.
- Potential clients complete their take up of the product by reviewing and accepting the T&Cs of the product.

Possible reasons for choosing the product

- There are no monthly or annual account keeping fees.
- We target the early adopters of digital and transaction products who want to:
 - separate their MFI daily spend by using a digital transaction account.
 - use digital account capability that is not provided by their MFI;
 - use the Hay account to control the balance of their MFI account, e.g.,





maintain a min balance of \$2,000 to avoid standard monthly account keeping fees charged by others; and

- or all the above.
- Customers looking to explore for a new MFI
- Customers seeking to reduce costs on their payment products while OS
- Customers who value speed and reliability when sending money and transacting
- Customers of Financial and Non-Financial HaaS Platform Client who have combined their services with Hay's non-cash account

Key uses of the product

Purchases and Refunds using Scheme rails:

- Instore Point of Sale (POS)
- Online (CNP)

International Purchases and Refunds using Scheme rails:

- Instore Point of Sale (POS)
- Online (CNP)

Transfers:


- In-App transfer of funds to other parties using NPP or DE.
 - a) Other individuals with a valid BSB and Account Number
 - b) Businesses with a valid BSB and Account Number

Note: Transfers are currently point to point and irrevocable. A refund or returned transaction function does not currently exist. Rectifying and incorrect transfers requires assistance via an authorised party.

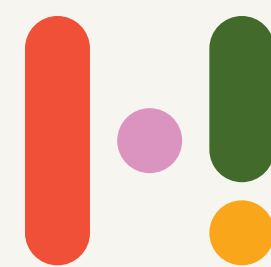


04 Non-cash TMD check list



Check list items	Description	Review period & conditions	
Client Type	Individuals with a valid profile to hold and use the account	Reviewed when target market changes are made, features are added, or the product moves to another phase in the Product Lifecycle Management process, e.g., maturity or sunset	
Knowledge and Experience	Customers are only ever individuals who may or may not have had experience with a digital payment tool in the past. They will be funding the Client account from a bank account with a registered ADI.	They are reviewed in line with changes to business structure and licencing.	
Financial Situation	Varied. They have the financial means to operate the Hay account with a functioning, compatible smartphone.	Available balance	
Risk Tolerance	Low. While there are daily maximum limits on amounts transferred or held, these are customer funds for personal use.		
Customer's Needs and Objectives	KYC	The ability to confirm their identity as an individual. This process requires the customers to perform a customer ID check using prescribed information sources in line with AFSL AML/CTF obligations.	They are reviewed in line with activity monitoring, AML and CTF procedures and incidents.
	Transfer & Top Up	The ability to transfer authorised funds from the customer's ADI bank account; <ul style="list-style-type: none"> to their non-cash payment BSBs and account for use within the Visa network, NPP and Direct Entry for Pay Anyone, BPay services. 	
	Balance	At a minimum see current balance and transactions	Limited by max transfer and daily holding amounts
	Spend tracking	Provide a summary of categories and payees used and updated daily.	They are triggered when thresholds are exceeded.
	Purchase / Refund POS	Real-time purchase depending on the merchant type, e.g., some merchant trx may be pending. When a customer can return goods and receive a refund, funds must be transferable from the merchant to the customer.	Limited by max transfer and daily holding amounts Changes when increases in timed out chargebacks are being reached.
	Purchase / Refund Online	See POS but for eCommerce purchase.	Limited by max transfer and daily holding amounts
	Purchase In App	This is the peer-to-peer transfer.	When maximum limits are triggered
	FX POS Online Purchase	Complete International online purchases where the Visa Scheme card is accepted and the customer funds are available.	Limited by max transfer and daily holding amounts
	FX Instore Purchase	Complete International POS purchases where the Visa Scheme card is accepted and the customer funds are available.	Limited by max transfer and daily holding amounts
Distribution Strategy	Digital, social media adverts, WOM	Quarterly in line with growth reporting 	

05 Hay retail target market determination for our non-cash payment product



For use on the HelloHay website and App.

Category	Description	
Product	Hay Card and Hay Account	
	Non-cash payment product	
Issuer	Hay Limited ACN 629 037 403 Australia Australian Financial Services Licence 515459 (Hay)	
Start date Date the determination was made	1 September 2022	
Version	2.0	
Review date	The first review, and each ongoing review, must be completed within each consecutive one year period from the Start Date.	
Target market Class of consumers that comprise the target market for the product	Consumer Description This describes consumers in the target market	<p>Objectives & Needs</p> <p>Retail customers wanting to pre-fund a non-cash payments account for use with an Internationally branded scheme such as Visa or pay others using local payment networks such as NPP, Direct Entry and BPay services.</p> <p>Financial Situation</p> <p>At the time of application, the person has the right to open a prepaid account and has access and transfer funds in Australian dollars to preload the facility and pay fees.</p>
	Product Description This describes the non-cash payment product.	<ul style="list-style-type: none"> • A Non-cash payment product issued by Hay Limited is a fully digital transaction account that allows retail Client to access their funds on demand. • Retail clients can also make and receive payments in connection with the account (including electronic transfers available through pay anyone services, the Client App, BPAY, Visa Debit, direct debits). • Access is only possible by card, app, BSB and Account number and does not have a physical presence. This means retail clients cannot make cash deposits or other withdrawals from the account via a physical branch except by using a card at an ATM where Visa pre-paid or debit cards are accepted. • No interest can be earned on the funds deposited in the account. • Overdrawing the account is not permitted but may be linked to a credit facility managed by the Client. • Spend control and MCC limitations can be added to support: <ul style="list-style-type: none"> o Harm minimization o Value propositions involving minors o Target Market regulatory and/or policy and risk appetite driven controls.
	Appropriateness Statement This explains why the product is consistent with the target market's likely objectives, financial situation, and needs.	<p>The Issuer, Hay Limited, has considered that the product (including its key attributes) is suitable for the target market (including the likely objectives, financial situation and needs of consumers in the target market).</p>



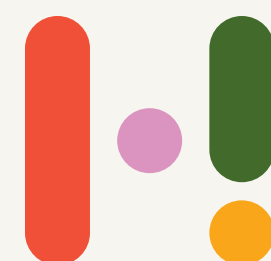


Category

Description

Distribution Conditions The conditions and restrictions on the distribution of the product	Marketing and Promotion This condition applies to marketing and promotional materials that describe the product	Condition 1 Hay Retail will arrange, promote, distribute, and provide general product advice in line with its AFS license number 515459 – for non-cash payment products.
	Retail Product Distribution Conduct (other than Marketing) This condition applies to all conduct (other than marketing) such as issuing, arranging and providing disclosure material.	Condition 2 As an authorised distributor Hay must only engage in retail arranging, distribution and providing of general product advice: <ul style="list-style-type: none"> • through the Hello Hay website and Hello Hay App • to prospective retail customers who are individuals and meet Hay Limited’s minimum eligibility criteria for the non-cash product; and • issue a non-cash payment product to retail customers after applying for and completing Hello Hay application and assessment process. This condition is appropriate as the target market is broad. It is also suitable as the issuer has distributed this product using these methods, with limited risk to consumers.
Review Triggers The events and circumstances that would reasonably suggest the determination is no longer appropriate	The issuer, and any distributor of this product, must cease retail product distribution conduct in respect of this product when the issuer determines a material event or circumstance has occurred in relation to:	
	Material Complaints	material complaints (in number or significance) with regard to the terms of this product and/or the distribution conduct.
	Product Performance	evidence, as determined by the issuer, of the product's performance, in practice, that may suggest that the product is not appropriate for the target market.
	Distributor Feedback	reporting from distributors, or consistent feedback from distributors on the target market, suggesting that the determination may no longer be appropriate.
	Substantial Product Change	a significant change to the product is likely to result in the determination no longer being appropriate for the target market.
	Significant Dealing	a material pattern of dealings in the product or distributor conduct that is not consistent with the determination.
	Annual Product Review	Hay conducts an annual product review including associated disclosure documents in or around May for consultation and implementation by July.
	Notification from ASIC	a notification from ASIC requiring immediate cessation of product distribution or particular conduct concerning the product.





06 Document control

Note that when printed, this document may have been superseded. Please refer to hellohay.co/tmd for the most current version of this document.

Hay Limited ACN 629 037 403 Australia Australian Financial Services Licence 515459 (Hay).

Effective June 2023.

Version	Date	Comments
1.0	5 October 2021	Determination commenced due to the new DDO Regime.
2.0	1 September 2022	Template updated follow annual legal review.
3.0	15 June 2023	Template updated follow annual legal review.



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