

Target Market Determination

Personal Loan

Issuer	Salt and Lime Funding Pty Ltd ACN 619 815 833, ACL 501633
Start Date	29 September 2021, effective from 5 October 2021
Version	V2.0
Latest Update	13 April 2023
Review Period	Each ongoing review must be completed within the following consecutive 12 months from the Latest Update, unless otherwise triggered by an event or circumstance detailed under 'Review Triggers'.
Product	Salt & Lime Personal Loan A flexible personal loan where credit is used for debt consolidation, or singular personal/household purchases over a fixed term, with no upfront or ongoing fees.

Target Market

Target Market & Product Attributes	Consumer Needs & Objectives	Product Attributes
	A person that is seeking a personal loan over a fixed term for purposes of debt consolidation, or singular personal, household, or motor vehicle purchases.	<p>This personal loan provides credit for the purposes of;</p> <ul style="list-style-type: none"> • Debt consolidation • Motor vehicle purchases • Household purchases • Other personal purchases <p>This personal loan has no upfront or ongoing fees, and provides the customer with financial education modules, with a view to improving the customer's financial situation.</p>
	<p>A person that;</p> <ul style="list-style-type: none"> • Requires a minimum credit amount of \$4,000, and up to \$75,000 • Can meet repayments including both principal and interest portions due, satisfying Salt & Lime's credit assessment criteria 	<p>This personal loan;</p> <ul style="list-style-type: none"> • Requires a minimum loan amount of \$4,000 and a maximum amount of \$75,000 • Requires a regular scheduled repayment that includes both principal and interest components.

A person that;

- Wants the certainty of a fixed interest rate, the flexibility to make extra repayments without fees, and flexible repayment options
- Wants the option to reduce the interest portion of their loan repayment

This personal loan;

- Provides a fixed interest rate with no fees charged for additional payment contributions, and flexible repayment options
- Provides opportunity for customers to reduce their interest rate by completing short financial education quizzes

Negative Target Market Statement

This personal loan product is not suitable for a person seeking credit for non-singular purchases, or everyday spending.

Appropriateness Statement

Salt and Lime Funding Pty Ltd has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.

Distribution Conditions

Distribution Condition Summary

Salt & Lime will have oversight around how the product is issued and promoted to customers. Salt & Lime's credit criteria must be satisfied, demonstrating the customer's capacity to make the required repayments on the credit provided. The below conditions relate to the distribution of the Salt & Lime personal loan product, defining why each channel is deemed appropriate.

Condition 1:

This condition applies to all conduct relating to distribution of the personal loan product.

A distributor must;

- Hold an Australian Credit Licence (ACL), or be a Credit Representative authorised to engage in credit activities on behalf of a credit licensee (unless an exemption applies covering provision of credit activities); and
- If the distributor is not Salt & Lime, the distributing partner must:
 - Comply with the terms and conditions of any relevant distribution agreement or arrangement with Salt & Lime
 - If applicable, comply with the terms and conditions of any licensing exemption covering the provision of credit activities with respect to the product.

This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services, and will comply with the commercial terms as agreed with Salt & Lime.

Condition 2:

This condition applies to marketing and promotions

A distributor must only market and promote the product through:

- Advertising on television, radio, the internet (including social media), billboards and physical banners, brochures and other marketing material available to the general public;
- In person recommendations to access marketing material (including in branch communications and through referrer networks); and
- Any other issuer approved communication channels (including telephone, email and social media).

This condition is appropriate as the target market is broad.

Condition 3:

A distributor must only engage in retail product distribution conduct (other than marketing and promotions) through:

This condition applies to retail product distribution conduct (other than marketing and promotions)

- in person communications (including in branch, through mobile lenders and through broker and referrer networks);
- through the issuer's and other approved third-party digital platforms; and
- any other issuer approved communication channels (including telephone, email and social media). This condition is appropriate as the target market is wide Condition 3 A distributor must only engage in retail product distribution conduct (other than marketing and promotions) if it has identified the key difference between:
 - the product; and
 - other credit products issued by the issuer.

This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.

Review Triggers

Review Triggers Salt and Lime must cease all relevant product distribution conduct within 10 business days of Salt and Lime identifying a review trigger unless:

- Salt and Lime has determined that the current TMD continues to be appropriate; or
- a new TMD has been generated.

The events and circumstances described below will trigger a review of this TMD if Salt and Lime determines a change in applicability or relevance to Salt and Lime's internal policies. Salt and Lime will publish the revised TMD on their website. These review triggers reasonably suggest that the current TMD is no longer appropriate.

Material Complaints

Salt and Lime actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to:

- Credit limit amounts
- Fixed interest rates and fixed interest periods
- Fees

Product Performance

Salt and Lime actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where:

- Evidence shows that the financial situation of the customer may not be met including monitoring of:
 - Customers experiencing a disproportionate rate of delinquencies
- Evidence shows that the needs and objectives of the product attributes may not be met including monitoring of:
 - Early termination of the loan
 - Changes to attributes or movements between products

Feedback from Distributors	Numerous reports or feedback from distributors which suggests that either the target market or product attributes may no longer be appropriate. Refer to 'Distribution Reporting Requirements' for further information.
Substantial Product Change	<p>Salt and Lime makes a substantial change to the product terms, conditions or key product attributes including:</p> <ul style="list-style-type: none"> • Adding to, removing, or changing a product attribute • A substantial pricing change which impacts the consumer value proposition of the product • Significant changes to a distribution channel and distribution strategy
Significant Change to the External Environment	<p>External environment changes that impact Salt and Lime can include;</p> <ul style="list-style-type: none"> • Regulatory or legislative environment for this product • Economic and market conditions
Notification from ASIC	Salt and Lime receives a notification from ASIC requiring immediate cessation of product distribution, or cessation of particular conduct in relation to the product.
Significant Dealings	Evidence that either the distribution of the product, or distributor conduct are significantly different to the expectations set out in the TMD.

Distribution Reporting Requirements

Distribution Reporting Requirements

Reporting periods are quarterly during the calendar year, outlined as below;

Reporting Period 1: Ending 31 March

Reporting Period 2: Ending 30 June

Reporting Period 3: Ending 30 September

Reporting Period 4: Ending 31 December

The following information must be provided to Salt and Lime Funding by distributors who engage in retail product distribution conduct in relation to this product. A distributor must provide this information as soon as practicable, or within 10 days of the reporting periods as listed above (unless otherwise specified).

Type of Information	Description
Complaints	Number of complaints, the nature and circumstances of those complaints, and whether consumer harm or detriment has occurred (or is likely), including the nature of the harm or detriment
Feedback from Distributors	Feedback that the target market or key product attributes may no longer be appropriate, including detail on interest rates, and consumer understanding of the risks, key terms, conditions or key attributes of this product

Significant Dealings

If a distributor becomes aware of a significant dealing in the product (or an issue with distributor conduct) that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.

Additional Information Requested by Salt and Lime

Salt and Lime should provide 30 days notice before the end of the reporting period, and the request must be such that it is necessary to enable Salt and Lime to meet their legal and compliance obligations

Conclusion

Salt & Lime Personal Loan products are designed to cater to the specific needs of Australian residents who require a flexible, cost-effective, and accessible personal loan. By defining and adhering to this TMD, Salt & Lime aims to ensure responsible lending practices and a strong alignment between our product offering and the needs of our customers.
