

# Target Market Determination

<b>Product(s)</b>	Samsung Care+ Samsung Subscription (with Samsung Care+)
<b>Effective Date</b>	26 October 2022

## 1. Introduction and purpose of the Target Market Determination (TMD)

Samsung Electronics Australia Pty Ltd (ABN 63 002 915 648) (**Samsung or we, us, our**) is the issuer of Samsung Care+ and Samsung Subscription (the “**products**”) (with Samsung Care+).

This TMD has been made to:

- describe the class of consumers these products have been designed for (referred to as the Target Market);
- describe the product distribution conditions;
- specify the review periods and triggers we use to ensure the target market remains appropriate; and
- set out our reporting obligations and requirements.

This TMD does not take into account any individual consumer’s personal financial situation, objectives or needs or form part of the customer terms and conditions which are available from Samsung’s website and should be considered before making a decision in relation to the products:

<https://samsung.com/au/samsung-subscription/terms>

<https://samsung.com/au/offer/samsung-care-plus/>

(known collectively as the “**Customer Terms and Conditions**”).

## 2. Target Market

### 2.1 Product description and key attributes

The products are only designed for and marketed to customers of Samsung. Customers are able to purchase a Samsung Care+ subscription with the purchase of an eligible Samsung Galaxy smartphone or tablet. If a customer participates in the Samsung Subscription program (formerly named Samsung Upgrade program), they will be given a complimentary subscription to Samsung Care+ (Swap and Mobile Refresh fees apply).

#### **Samsung Care+**

A customer (otherwise known as a “**Subscriber**”) can purchase an eligible subscription to this product at the time they purchase a new Galaxy smartphone or tablet, or up to 30 calendar days thereafter. A Subscriber can request a device Swap and/or Mobile Refresh during the term of their subscription\*. A maximum of three Swap or Mobile Refresh Requests are permitted, depending on the subscription term chosen.

*\*Mobile Refresh is only available to Subscribers with eligible Galaxy smartphones. Swap and Mobile Refresh fees may vary.*

(a) Making a Swap Request:

- A Subscriber can make a Swap Request for any reason.
- A Subscriber must pay a Swap fee when making a Swap Request.
- Upon making a Swap Request, Subscribers are provided with a swap device which is of the same or similar specifications to their original device, and is refurbished or new.
- It is a condition of making a Swap Request that Subscribers must also return their original device to Samsung. A Subscriber will incur a non-return fee if they do not return their original device within 14 calendar days from the date they receive a swap device.

Provided the same or similar device is in stock, Subscribers are posted a swap device either on the same business day, or next business day, after making a Swap Request. Subscribers must return their original device once they have received their swap device.

(b) Making a Mobile Refresh Request (smartphones only):

- A Subscriber can make a Mobile Refresh Request for any reason. We will confirm the eligibility of the Registered Device for a Mobile Refresh by asking a series of questions about the Registered Device and by inspecting it when our appointed agent receives it in the warehouse.
- A Subscriber must pay a Mobile Refresh fee when making a Mobile Refresh Request.

***Samsung Subscription (with Samsung Care+)***

A Samsung customer who has acquired a Galaxy smartphone (within the first 3 months of its release to market) on an eligible Payment Plan (as defined in the Customer Terms and Conditions) is able to participate in the Samsung Subscription program.

Within the first 18 months of their Payment Plan a customer is eligible to upgrade their current Galaxy smartphone, through Samsung Subscription, to the latest Galaxy model in the following ways:

- A. If the customer has paid at least 12 instalments in full (equivalent to having 33% (or less) of their balance remaining on their Payment Plan) and their Galaxy smartphone is in good working order and you are not in arrears, at no additional charge; or
- B. If the customer has paid at least 9 instalments in full (equivalent to having 50% or less of their balance remaining on their Payment Plan) and their Galaxy smartphone is in good working order, subject to paying an early upgrade fee.

If the customer is eligible to upgrade but the device is not in good working order, then additional fees will apply to upgrade a damaged device.

Customers who participate in Samsung Subscription can also make a Swap Request or Mobile Refresh Request under Samsung Care+ as part of their complimentary enrolment. The same Samsung Care+ terms and conditions apply, except for the following:

- The subscription is for a maximum term of 18 months and two Swap Requests or Mobile Refresh Requests are permitted as follows:
  - One Swap Request or Mobile Refresh Request in months 1 to 12.
  - One Swap Request or Mobile Refresh Request in months 13 to 18.

**2.2 Target market for these products**

The customers that these products are suitable and not suitable for are summarised in the below table:

	<b>Inside the target market</b>	<b>Outside the target market</b>
<b>Samsung Care+</b>	<p>A person is in the target market if they:</p> <ul style="list-style-type: none"> <li>• have purchased a new Galaxy smartphone or tablet, either directly from Samsung or a third-party retailer;</li> <li>• are seeking the convenience of being able to Swap their Galaxy smartphone or tablet, or receive a Mobile Refresh of their Galaxy smartphone, for any reason.</li> </ul>	<p>A person is not in the target market if they:</p> <ul style="list-style-type: none"> <li>• do not own a Galaxy smartphone or tablet;</li> <li>• have purchased a Galaxy smartphone or tablet outside Australia;</li> <li>• have purchased a Galaxy smartphone or tablet more than 30 calendar days ago.</li> </ul>
<b>Samsung Subscription (with Samsung Care+)</b>	<p>A person is in the target market if they:</p> <ul style="list-style-type: none"> <li>• have purchased a Galaxy smartphone (within the first 3 months of its release to market) on a Payment Plan;</li> <li>• are seeking to ensure they always have a device that is in working order; and</li> <li>• are also seeking to save on costs associated with upgrading to the latest Galaxy smartphone model.</li> </ul>	<p>A person is not in the target market if they have not acquired their Galaxy smartphone on a Payment Plan within the first 3 months of its release to market. The person must meet the eligibility criteria set by the third-party provider of the Payment Plan.</p>

### **2.3 Consumer’s likely financial situation, objectives and needs**

The Swap component of Samsung Care+ is designed to be consistent with the likely objectives, financial situation and needs of consumers who:

- have an income and/or savings which are adequate to service the subscription fees, and Swap fees;
- wish to manage the risks associated with being without their Galaxy smartphone or tablet, including not remaining connected to family, friends and colleagues;
- wish to replace their device for any reason without the need to substantiate loss;
- wish to replace their device for reasons not ordinarily covered by a policy of insurance (including cosmetic damage and fair wear and tear);

The Mobile Refresh component of Samsung Care+ is designed to be consistent with the likely objectives, financial situation and needs of consumers who:

- have an income and/or savings which are adequate to service the subscription fees and Mobile Refresh fees;
- require certainty of the price of obtaining Mobile Refresh services during the term of their subscription;

- recognise the need to maintain their Galaxy smartphone to get the most out of their device;
- wish to restore their device screen for reasons not ordinarily covered by a policy of insurance (including cosmetic damage and fair wear and tear);

Samsung Subscription (with Samsung Care+) is designed to be consistent with the likely objectives, financial situation and needs of consumers who:

- wish to have the latest model Galaxy device by continually upgrading their device when eligible;
- have an income and/or savings which are adequate to service the applicable fees (including Early Upgrade fee, Swap Request fee and/or Mobile Refresh Request fee as defined in the Customer Terms and Conditions) and are able to service the Payment Plan in accordance with the terms of the third-party provider;
- wish to manage the risks associated with being without their Galaxy smartphone and/or not having their device in good working order (this could be for any reason);
- wish to manage the consequences of being without their Galaxy smartphone and not being connected to their family, friends and colleagues;
- wish to replace their device for any reason without the need to substantiate loss;
- wish to replace their device for reasons not ordinarily covered by a policy of insurance (including cosmetic damage and fair wear and tear).

These products are likely to be consistent with these likely needs, objectives and financial situation of the target market because the target market for the products (i.e. those consumers who are eligible to purchase the products) are those consumers who are able to afford the products, and want and need the risk management benefits they provide.

### **3. Distribution conditions that apply to these products**

The following distribution conditions apply:

- The products are designed to be purchased via Samsung online or in Samsung stores. Samsung stores are operated by Samsung's partner, RPG Brands Pty Ltd (**RPG**). Only Samsung and RPG are permitted to distribute the products, no other third parties are permitted to distribute the products.
- Consumers who apply for a Samsung Care+ subscription after they have purchased their new Galaxy device, but within the first 30 calendar days, can only apply online.
- These products must only be distributed in accordance with this TMD and cannot be distributed if this TMD is not up to date or the TMD is subject to any regulatory action that might suggest the TMD is no longer appropriate.

For consumers who purchase the products online after purchasing an eligible Galaxy device (i.e. within the first 30 calendar days), we ask a series of questions and utilise technology to verify that consumers who are purchasing the subscription have a newly purchased Galaxy device that is still in good working order.

We do not provide any financial advice in relation to the products, which are distributed on a 'no advice' basis.

Our distribution conditions will assist us to ensure that only consumers who fall within the class of consumers for whom the products have been designed for purchase the products.

#### 4. When we will review this TMD

We will review the TMD in accordance with the table below.

<b>Initial Review</b>	Within the first 12 months of the effective date.
<b>Period Reviews</b>	At least every 2 years from the Initial Review.
<b>Review Events or Triggers</b>	<p>This TMD will be reviewed within 10 business days of any of the following events or circumstances occurring which may indicate that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> <li>• a material change to the terms of the Product(s) or their eligibility criteria;</li> <li>• a material change to the distribution conditions of the Product(s);</li> <li>• a material change to a factor considered in the preparation of this TMD;</li> <li>• significant or systemic complaints issues;</li> <li>• material changes in law, regulation or regulatory guidance which materially impacts the design or distribution of the Product(s);</li> <li>• an external adverse event has occurred (such as media attention or regulatory action);</li> <li>• a significant dealing outside the target market has occurred;</li> <li>• material product value concern.</li> </ul>

#### 5. Reporting and monitoring

We collect information and prepare reports regarding sales performance (number of new subscribers), Swap Request and Mobile Refresh Request levels, customer feedback and complaints on a monthly basis.

If we become aware of a significant dealing in relation to the product(s) that is inconsistent with the TMD we will report it to ASIC as soon as practicable but within 10 business days.

#### 6. Definitions

**Customer Terms and Conditions** means the Samsung Care+ program Terms and Conditions or the Samsung Subscription Program Terms and Conditions (as the case may be), as varied or amended from time to time.

**Eligible Device** has the meaning given to that term in the Customer Terms and Conditions.

**IMEI** means the international mobile equipment identity number of a device.

**Mobile Refresh** means the following services to be performed on a Registered Device, once we have accepted the Mobile Refresh Request:

- replacement of the front screen / LCD;
- replacement of the battery;
- full diagnostic testing of the hardware of the Registered Device to determine if there are any technical issues;
- detailed cleaning of the Registered Device;

- buff and polish to remove scuffing and surface shine.

**Mobile Refresh Request** means a request for a Mobile Refresh as permitted under the Customer Terms and Conditions.

**Registered Device** means an Eligible Device that we have registered with reference to its IMEI for the Samsung Care+ program or Samsung Subscription Program (as the case may be), in accordance with the Customer Terms and Conditions.

**Subscriber** means a subscriber to the Samsung Care+ program.

**Swap** means the exchange of a Subscriber's Registered Device for the same or similar device (new or refurbished) permitted under the Customer Terms and Conditions.

**Swap Request** means a request for a Swap permitted under the Customer Terms and Conditions.

**Target Market** means the target market referred to in clause 2.2.