Design and Distribution Obligations (DDO)

The design and distribution obligations commenced on 5th October 2021.

The DDO's require distributors of financial products to ensure that consumers obtain products that are likely to be consistent with consumers' needs, objectives and in line with their financial situation.

Target Market Determinations (TMD)

What is a Target Market Determination?

A TMD is a document that describes the type of customer one of our products may suit (target market), including conditions and circumstances around how the product can be distributed.

In addition, circumstances and or events that may occur which require the TMD (and target market) to be reviewed.

FinSecure Finance – Our TMD's

FinSecure Finance acts as an intermediary between the program manager/wholesaler and the consumer. In this process our product offering is rebranded to reflect the retail offering presented to the consumer. The following TMD represents our product offering and the equivalent product name given by the program manager:

Product Name	TMD
FinFirst Flex	First Choice Home Loan

Following is the TMD for the product to which you are considering/applied for OR settled on.

Target Market Determination - First Choice Home Loan

This Target Market Determination (TMD) has been created for First Federal and is not intended to provide financial advice. Please refer to our Terms and Conditions and Credit Guide (available on request) before deciding if this product is right for you.

This TMD aims to provide an understanding of the class of consumers we have designed this product for, being the target market. When considering the target market, we focused on which consumer needs this product is suitable for based on their objectives, requirements and financial situation.

Product	First Choice Home Loan is a residential home loan designed for individual consumers who require residential property finance and have a strong and stable credit and income profile.
Issuer	First Federal Pty Ltd ACN: 136 380 526 First Custodian Mortgages Pty Ltd ACN: 695 395 683
Distributor	First Federal Home Loans Pty Ltd ACN: 160 925 146 ACL: 504317
Date Effective	1 October 2026
Objectives, financial situation and needs of the target market (Class of consumers)	This product is designed for individual consumers who require residential property finance for an owner-occupied or investment property; have stable and sustainable income sufficient to meet repayments without substantial hardship; are able to manage repayments that may increase because the interest rate is variable; have an acceptable credit history for the applicable product option; and require a loan amount, term, LVR and repayment structure available under the product. Consumers will likely need this product for: • purchasing an owner-occupied home or investment property; • refinancing an owner-occupied home or investment property; • accessing equity for home renovations, personal or investment purposes; or • debt consolidation.
Credit assessment criteria for target market	Consumers in the target market must: • be an eligible individual; • satisfy applicable residency and borrower eligibility requirements; • meet First Federal's credit assessment and responsible lending requirements; • have acceptable residential security; and

	• provide a first registered mortgage over the security property.
Key Features of the product	• Loan amounts from $100,000 to $3,000,000. • Maximum LVR of 90%. • Loan term of up to 30 years. • Variable interest rate. • Principal and interest repayments, with an interest-only option for up to five (5) years. • Ability to make additional repayments without penalty. • Full or alternative income documentation may be accepted • Application, risk, valuation and legal fees may apply.
Why this product is likely to match the objectives, financial situation and needs of the target market	• The product provides a residential lending solution for consumers with a strong credit profile. • The variable interest rate, repayment options and ability to make additional repayments provide flexibility to consumers within the target market. • Full or alternative income documentation may be accepted where appropriate. • The interest-only repayment option is likely to be appropriate for consumers within the target market who will benefit from the ability to pay interest only on the outstanding loan balance for the duration of the interest-only period, and who understand that they may pay more interest over the life of the loan as principal is not reduced during this period. Interest-only repayments are available for a maximum period of five (5) years, after which repayments will revert to principal and interest.
Classes of Consumer this product may not be suitable for	This product may not be suitable for consumers who: • do not have stable or sufficient income to meet required repayments without substantial hardship, or do not have an acceptable credit history for this product; • are seeking fixed interest rates; • are seeking an offset account; • are seeking finance to purchase or refinance commercial property; • are seeking construction funding or progressive draw facilities; or • are not eligible borrowers under First Federal's responsible lending assessment.
Distribution Conditions/Restrictions for the product	This product may only be distributed through: • accredited mortgage brokers; • approved aggregator partners; or • other approved distribution partners, who are appropriately trained, competent and authorised to engage in credit activities.

<table>
<tr><td></td><td>These distribution arrangements are appropriate because they ensure distributors:
understand the product's key features and target market;
hold the required authorisations;
are able to assess whether consumers are likely to fall within the target market; and
take reasonable steps to ensure distribution is consistent with this TMD.
Distributors must:
only submit applications where the consumer is reasonably assessed as being within the target market; and
ensure the consumer meets First Federal's credit assessment and responsible lending requirements.
First Federal's credit assessment process includes controls designed to identify applicants who fall outside the target market.

Distribution outcomes, complaints and significant dealings inconsistent with this TMD are monitored as part of First Federal's ongoing review process.</td></tr>
<tr><td>Review triggers</td><td>This TMD will be reviewed:
in line with any ASIC, AFCA or regulatory (including RG) requirements;
where there is a material increase in complaints indicating potential customer harm;
where there are material changes to the product or regulatory requirements;
where the product is no longer considered appropriate for the target market; or
where there are significant dealings inconsistent with this TMD.</td></tr>
<tr><td>Review cadence</td><td>If a review trigger occurs, or First Federal becomes aware of an event or circumstance suggesting this TMD may no longer be appropriate, First Federal will conduct a review as soon as practicable and within 10 business days (or as otherwise required).

First Federal will complete a review at least annually, or more frequently where required to ensure ongoing appropriateness of the TMD.<table><tr><td>Document created</td><td>February 2024</td></tr><tr><td>Product re-designed</td><td>July 2024</td></tr><tr><td>Document reviewed</td><td>January 2025</td></tr><tr><td>Document reviewed, minor credit policy changes updated</td><td>January 2026</td></tr><tr><td>Document reviewed, minor credit policy changes updated</td><td>June 2026</td></tr><tr><td>Document reviewed, minor credit policy changes updated</td><td>October 2026</td></tr></table></td></tr>
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Distribution Information Reporting Requirements	The following information must be provided to First Federal in writing by distributors:
	
	• complaints relating to key terms, features or risks of the product as soon as practicable and no later than 10 business days after becoming aware;
	• reporting to include:
	  ○ number and nature of complaints;
	  ○ circumstances and substance of complaints; and
	  ○ general feedback on product performance (reported quarterly);
	• any significant dealings inconsistent with this TMD, including:
	  ○ date;
	  ○ description;
	  ○ why it is significant;
	  ○ how it was identified; and
	  ○ actions taken to remediate.