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
FinPrime (Fixed)	Prime Home Loan (Fixed Rate)

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

TARGET MARKET DETERMINATION (TMD)

Product	Prime Home Loan (Fixed Rate)
Issuer	• BC Securities Pty Ltd • ACN: 609 155 688 • Australian Credit Licence number: 482240
Version	4.3
Date of TMD	1 July 2026

Target Market	*Description of target market, including likely objectives, financial situation and needs*
	
	The features of this product have been assessed as meeting the likely objectives, financial situation and needs of consumers who:
	
	• meet the Issuer's eligibility criteria, including:
	  ○ being 18 years or over;
	  ○ being an Australian resident or being a New Zealand Citizen that resides in Australia or New Zealand;
	  ○ having a good credit history (minor defaults may be considered satisfactory); and
	  ○ being able to demonstrate the ability to repay the loan over a sustained period of time.
	• are:
	  ○ self-employed; or
	  ○ salaried employees; or
	  ○ an Australian registered company; or
	  ○ a trustee of an Australian family or unit trust (the beneficiary and Trustee must meet the eligibility criteria of an individual or a company);
	• require a loan to fund the purchase or refinance of an owner occupied or investment residential property;
	• require a loan for equity release;
	• require a loan for debt consolidation;
	• require the certainty of a fixed interest rate for a set period, which converts to a variable rate at the expiry of the fixed rate period;
	• require the option to make some additional repayments during the fixed rate period up to a maximum amount;
	• require access to features like a redraw facility and/or offset sub-account; and
	• require the option of either principal and interest or interest only repayments.
	
	The product meets the likely objectives, financial situation and needs of consumers in the target market because:
	• the fixed interest rate provides certainty of repayments during the fixed period, making consumer budgeting easier; and
	• this product allows consumers to finance the purchase or refinance of an owner-occupied residential property or investment residential property with the ability to make principal and interest repayments to build equity in the property; or

	• this product allows consumers to finance the purchase or refinance of an owner-occupied or investment property with the ability to make interest only repayments and benefit from lower repayments during the interest only period. This may enable consumers to make lower repayments, repay other higher interest debts, or claim tax benefits as an investor.	
Product Description	Key Attributes	
	Security property	Residential
	Maximum loan term	40 years
	Maximum loan to value ratio	Up to 95% (Lenders Mortgage Insurance may apply)
	Minimum loan amount	$100,000
	Maximum loan amount	$5,000,000
	Maximum single borrower exposure	$10,000,000
	Repayment type	• Principal and Interest • Interest Only
	Fixed rate period	1 – 5 years The Fixed Rate Prime loan will revert to a Variable Rate Prime loan after the set fixed interest period, where the interest rate and repayments will become variable, unless it is switched to another loan type including a new Fixed Rate Prime loan.
	Maximum additional repayment amount during the fixed rate period	$20,000 per annum
	Maximum Interest Only period	5 years
	Offset sub-account	Yes
	Redraw	Yes, within scheduled limit
	Security location	Metro, non-metro and regional considered
	Security	1st registered real property mortgage
	Settlement fee	Payable
	Legal fee	Payable plus disbursements
	30+ year premium waiver upfront fee	Payable
	Documentation fee	Payable
	Annual package fee	Payable
	Discharge fee	Payable
	Break fee	Payable if the whole of the loan is repaid during the fixed rate period or more than the maximum additional repayment amount is repaid during the fixed rate period
	Other fees and charges may apply (as detailed in the loan contract)	Payable
	Classes of consumers for whom the product may not be suitable	
	This product may not be suitable for consumers who:	

	• do not meet the Issuer's eligibility criteria; • are not Australian residents; • require the ability to make additional repayments at any time throughout the loan term; • require a fixed rate period which is less than 1 year or greater than 5 years; • require an interest only repayment period which is greater than 5 years; • require a loan amount which is less than the minimum loan amount; or • require a loan amount which is greater than the maximum loan amount.
Distribution Channel and Conditions	The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market: • **Authorised mortgage managers**: The Issuer only permits mortgage managers authorised under a Mortgage Origination and Management Agreement agreed with the Issuer to distribute this product; • **Accredited mortgage brokers**: Only mortgage brokers who are accredited by the Issuer can distribute this product; and • **Authorised sales representative**: Directly via appropriately authorised employee by the Issuer. The distribution channels and conditions are appropriate because our distributors: • include accredited mortgage brokers who are subject to the duty to act in the best interests of the consumer to ensure that the product is in the best interests of the particular consumer, if it is recommended to the consumer; • are provided with detailed product specifications to assist the distributor's assessment of consumer suitability; • are trained on the Issuer's Credit Policy (including the credit eligibility criteria for the product) to ensure that the product is only distributed to consumers in the target market set out in this TMD; • are subject to mandatory compliance with periodic quality assurance reviews undertaken; and • are required to assess each loan application to ensure the consumer satisfies the Issuer's eligibility criteria and the loan is not unsuitable for the consumer in light of the consumer's requirements, objectives and financial situation. Further, loan applications are not accepted by the Issuer from distribution channels that are not specified in this TMD.
Review Triggers	If a review trigger occurs, or if an event or circumstance has occurred that would reasonably suggest that the TMD may no longer be appropriate, the Issuer will undertake a review of this TMD. The following review triggers would reasonably suggest that the TMD may no longer be appropriate: • a significant dealing in the product occurs that is not consistent with this Target Market Determination; • there is a material or unexpected increase in complaints over a consecutive 3-month period that reasonably indicate the product's design, features or distribution may no longer be appropriate for the target market;

<table>
<tr><td></td><td colspan="3">a material change is made to the product, including its key features, eligibility criteria, pricing or terms, that may affect the product's suitability for the target market;
there are material or unexpected increases in early refinancing or product exit over a consecutive 3-month period that may indicate the product is not meeting the needs of the target market;
there are material or unexpected increases in arrears or repayment difficulties over a consecutive 3-month period that reasonably suggest the product may not be appropriate for the target market;
there is a material change in law, regulatory guidance or regulatory expectations that may affect the design, distribution or appropriateness of the product.</td></tr>
<tr><td rowspan="3">Review Periods</td><td colspan="2">Next Review</td><td>1 July 2027</td></tr>
<tr><td colspan="2">Periodic Review Period</td><td>Annually</td></tr>
<tr><td colspan="2">Trigger Review</td><td>Within 10 business days of the identification of a trigger event.</td></tr>
<tr><td rowspan="5">Distribution Information Reporting Requirements</td><td colspan="3">The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:</td></tr>
<tr><td>Type of Information</td><td>Description</td><td>Reporting Period</td></tr>
<tr><td>Specific complaints</td><td>Details of the complaint, including name and contact details of complainant and substance of the complaint.</td><td>As soon as practicable and within 10 business days of receipt of complaint.</td></tr>
<tr><td>General information about complaints</td><td>Number complaints</td><td>Every 6 months (end of November and end of May)</td></tr>
<tr><td>Significant dealing(s) where the distributor believes that a significant number of consumers outside the target market are obtaining this product</td><td>Date or date range of the significant dealing(s) and description of the significant dealing</td><td>As soon as practicable, and in any case within 10 business days after becoming aware of the significant dealing</td></tr>
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This document should not be taken as financial product advice and has been prepared as general information only without consideration for your particular objectives, financial circumstances or needs. More information about the product can be found on our website, or in your loan contract.