

## TARGET MARKET DETERMINATION (TMD)

Product	BC Freedom & Non-Resident (Fixed Rate) also known as NAVY Freedom
Issuer	<ul style="list-style-type: none"> <li>BC Securities Pty Ltd</li> <li>ACN: 609 155 688</li> <li>Australian Credit Licence number: 482240</li> </ul>
Version	4.0
Date of TMD	1 June 2025
Target Market	<p><i>Description of target market, including likely objectives, financial situation and needs</i></p> <p>The features of this product have been assessed as meeting the likely objectives, financial situation and needs of consumers who:</p> <ul style="list-style-type: none"> <li>meet the Issuer's eligibility criteria, including: <ul style="list-style-type: none"> <li>being 18 years or over;</li> <li>being a non-resident of Australia living overseas;</li> <li>having a good credit history (minor defaults may be considered satisfactory); and</li> <li>being able to demonstrate the ability to repay the loan over a sustained period of time.</li> </ul> </li> <li>are: <ul style="list-style-type: none"> <li>self-employed; or</li> <li>salaried employees;</li> </ul> </li> <li>require a loan to fund the purchase or refinance of an owner occupied or investment residential property;</li> <li>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;</li> <li>require the option to make some additional repayments during the fixed rate period up to a maximum amount;</li> <li>require the option of either principal and interest or interest only repayments; and</li> <li>require access to features like a redraw facility and/or offset sub-account.</li> </ul> <p>The product meets the likely objectives, financial situation and needs of consumers in the target market because:</p> <ul style="list-style-type: none"> <li>the fixed interest rate provides certainty of repayments during the fixed period, making consumer budgeting easier; and</li> <li>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</li> <li>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.</li> </ul>

Product Description	Key Attributes	
	Security property	Residential
	Maximum loan term	28 years
	Maximum LVR	80%
	Minimum loan amount	\$150,000
	Maximum loan amount	\$2,500,000
	Maximum single borrower exposure	\$3,000,000
	Repayment type	<ul style="list-style-type: none"> <li>Principal and Interest</li> <li>Interest Only</li> </ul>
	Fixed rate period	1 – 3 years The Fixed Rate BC Freedom loan will revert to a Variable Rate BC Freedom loan after the set fixed rate period, where the interest rate and repayments will become variable, unless it is switched to another loan type including a new Fixed Rate BC Freedom 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 and non-metro considered
	Security	1 <sup>st</sup> registered real property mortgage
	Application fee	Payable
	Risk fee	Payable
	Legal fee	Payable plus disbursements
	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: <ul style="list-style-type: none"> <li>do not meet the Issuer's eligibility criteria;</li> <li>are Australian residents;</li> <li>are located in countries identified by the Financial Action Task Force (FATF) as having deficiencies in their AML/CTF regimes;</li> <li>require the ability to make additional repayments at any time throughout the loan term;</li> <li>require a fixed rate period which is less than 1 year or greater than 3 years;</li> <li>require an interest only repayment period which is greater than 5 years;</li> </ul>		

	<ul style="list-style-type: none"> <li>• require a loan amount which is less than the minimum loan amount; or</li> <li>• require a loan amount which is greater than the maximum loan amount.</li> </ul>
Distribution Channels and Conditions	<p>The following distribution channels and conditions have been assessed as being appropriate to direct the distribution of the product to the target market:</p> <ul style="list-style-type: none"> <li>• <b>Authorised mortgage managers:</b> The Issuer only permits mortgage managers authorised under a Mortgage Origination and Management Agreement agreed with the Issuer to distribute this product;</li> <li>• <b>Accredited mortgage brokers:</b> Only mortgage brokers who are accredited by the Issuer can distribute this product; and</li> <li>• <b>Authorised sales representative:</b> Directly via appropriately authorised employee by the Issuer.</li> </ul> <p>The distribution channels and conditions are appropriate because our distributors:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• are provided with detailed product specifications to assist the distributor's assessment of consumer suitability;</li> <li>• 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;</li> <li>• are subject to mandatory compliance with periodic quality assurance reviews undertaken; and</li> <li>• 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.</li> </ul> <p>Further, loan applications are not accepted by the Issuer from distribution channels that are not specified in this TMD.</p>
Review Triggers	<p>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.</p> <p>The following review triggers would reasonably suggest that the TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> <li>• a significant dealing of the product to consumers outside the target market occurs;</li> <li>• a significant increase in complaints are received from consumers who acquired the product, relating to the design or distribution of the product in any calendar quarter;</li> <li>• material changes are made to the product specifications or terms and conditions, including features, key attributes, fees and eligibility criteria outlined in the Issuer's Credit Policy;</li> <li>• there are high rates of refinancing for this product within the first two years that consumers have taken out the product;</li> <li>• 10% or more of gross loan receivables are in arrears of 30 days or more for this product; and</li> </ul>

	<ul style="list-style-type: none"><li>there are material regulatory changes or updated regulator guidance that may impact the design or distribution of the product.</li></ul>		
Review Periods	Next Review	1 June 2026	
	Periodic Review Period	Annually	
	Trigger Review	Within 10 business days of the identification of a trigger event.	
Distribution Information Reporting Requirements	The following information must be provided to us by distributors who engage in retail product distribution conduct in relation to this product:		
	Type of Information	Description	Reporting Period
	Specific complaints	Details of the complaint, including name and contact details of complainant and substance of the complaint	As soon as practicable and within 10 business days of receipt of complaint
	General information about complaints	Number complaints	Every 6 months (end of November and end of May)
	Significant dealing(s) where the distributor believes that a significant number of consumers outside the target market are obtaining this product	Date or date range of the significant dealing(s) and description of the significant dealing	As soon as practicable, and in any case within 10 business days after becoming aware of the significant dealing

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.