

**Target Market Determinations- Flexi Commercial Full Doc and Alt Doc**

**Legal Disclaimer:**

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD applies to Brighten Lift® and is a document of Brighten Commercial Pty Ltd ACN 625 549 126 (Brighten). This TMD seeks to give our customers, staff, product distributors, and other interested parties an understanding of the class of consumers for whom the product described has been designed, how the product is distributed, and having regard to the likely needs, objectives and financial situation of that class of customers.

This TMD is not, and should not be construed as, a full summary of the product’s features or Terms and Conditions. Nor is it a substitute for the provision of financial advice and does not consider any individual customer’s personal needs, objectives or financial situation.

<b>Product</b>	Flexi Commercial Full Doc and Alt Doc
<b>Issuer</b>	Brighten Commercial Pty Ltd ACN 625 549 126
<b>Date of TMD</b>	1 <sup>st</sup> November 2024
<b>Target Market</b>	<p><b>Description of target market</b></p> <p>The target market for these products includes individuals, Australian-registered companies, and trusts, provided that the directors meet the following individual applicant requirements:</p> <ul style="list-style-type: none"> <li>• Must be an Australian or New Zealand resident; and</li> <li>• Minimum borrower age is 18 years.</li> </ul> <p>Commercial Full Doc Loan – This product suits eligible applicants who can provide evidence of their taxable income for verification such as tax returns and payslips.</p> <p>Commercial Alt Doc Loan- This product suits eligible applicants who are self employed and who is prefer to verify their income through alternative methods, such as an accountant’s certificate, Business Activity Statements (BAS) or trading statements unable, rather than providing tax returns.</p> <p><b>Description of product, including key attributes</b></p> <p>Information about the products’ specifications is set out below:</p> <ul style="list-style-type: none"> <li>• Purpose of the loans for both products is purchase, refinance or equity release of commercial properties or residential properties for business purposes;</li> <li>• Interest rate type is variable</li> <li>• Repayment options for both products include either Principal and Interest or Interest Only (max 5 years);</li> <li>• Repayment methods include Direct Debit, BPAY and Pay anyone;</li> <li>• Repayment frequency is weekly, fortnightly or monthly;</li> <li>• Loan term is up to 30 years for both products; and</li> <li>• Minimum loan amount of \$250,000.</li> </ul> <p><b>Description of likely objectives, financial situation and needs of customers in the target market</b></p> <p>This product is designed for customers who are:</p> <ul style="list-style-type: none"> <li>• Seeking to purchase or refinance existing debt or release equity on commercial properties or residential properties for business purposes;</li> <li>• Seeking to consolidate debts; or</li> <li>• Choosing a variable rate, seeking flexibility to make extra repayments and/or making early repayments to their loan.</li> </ul> <p><b>Classes of customers for whom the product is clearly unsuitable</b></p>

	<ul style="list-style-type: none"> <li>• Applicant who is seeking fixed interest rates</li> <li>• Applicant who is seeking a loan regulated under the NCCP</li> <li>• Applicant who doesn't meet credit assessment requirements</li> <li>• Applicants who are considered:             <ul style="list-style-type: none"> <li>• Minors under any circumstances</li> <li>• Companies or company trustees involving disqualified directors</li> <li>• Bankrupt (discharged &lt; 2 years ago)</li> <li>• Applicants under external administration</li> <li>• Public companies</li> <li>• Owner Builders</li> <li>• Limited Liability Companies</li> <li>• Associations</li> <li>• Churches</li> <li>• Clubs</li> </ul> </li> </ul> <p><b><i>Explanation of why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market</i></b></p> <p>This product is likely to be consistent with the likely objectives, financial situations and needs of the customers within the target market as it is a simple loan construct to understand with variable interest rates only.</p> <p>To be eligible to purchase this product, requirements must be met in relation to:</p> <ul style="list-style-type: none"> <li>• Employment; and</li> <li>• Income</li> </ul> <p>which would mean that, without exceptional circumstances, the Borrowers will be able to meet their repayment obligations.</p> <p>Customers will need to also provide sufficient security in accordance with Flexi's credit assessment criteria, including</p> <ul style="list-style-type: none"> <li>• Acceptable property mortgage</li> <li>• General or specific security agreements</li> <li>• Guarantor who supports the loan by providing additional security</li> </ul> <p>The financial situation of the target market must meet Flexi's credit assessment criteria which includes:</p> <ul style="list-style-type: none"> <li>• Demonstrating the capacity to make the required repayments and the ability to pay off the loan without substantial hardship; and</li> <li>• Where determined by Flexi to be required, (based on the customer's security, applicant and loan attributes), have an acceptable guarantor.</li> </ul> <p>Flexi considers its processes in place, including assessing the customer's ability to service the loan account, will mean that the product will likely be consistent with the financial situation of the target market.</p>
<p><b>Distribution Conditions</b></p>	<p><b><i>Distribution conditions</i></b></p> <p>The main distribution channel for this product is through third party distributors, being mortgage brokers, mortgage managers, and aggregator panels (<b>Distribution Partners</b>).</p> <p>The distribution conditions which Distribution Partners must comply with include ensuring that potential customers within the target market meet the eligibility requirements for the product.</p> <p>To distribute this product to a potential customer within the target market, the customer must not:</p> <ol style="list-style-type: none"> <li>1. Fall into a class of customers set out under the above heading, "<i>Classes of customers for whom the product is clearly unsuitable</i>"; or</li> <li>2. Provide an unacceptable security type.</li> </ol> <p>Further eligibility requirements to purchase this product include:</p>

	<ol style="list-style-type: none"> <li>1. Employment requirements of the target market; and</li> <li>2. Income requirements of the target market.</li> </ol> <p><b><i>Why the distribution conditions and restrictions will make it more likely that the customers who acquire the product are in the target market</i></b></p> <p>Flexi monitors the quality and content of applications received from its distribution partners for trends and patterns of unacceptable practices or just poor quality and/or incomplete loan applications. Feedback is given, if needed. Flexi’s distributing Mortgage Brokers and Mortgage Managers are all party to agreements that contain commission or fee claw back clauses for unacceptable loans, poor performing loans, fraud and AML/CTF issues amongst other criteria. Flexi also reserves the right in these agreements to terminate Brokers for any reason with two weeks notice.</p>
<p><b>Review Triggers</b></p>	<p>The review triggers that would reasonably suggest that the TMD is no longer appropriate include:</p> <ul style="list-style-type: none"> <li>• A significant dealing of the product to a customer outside the target market occurs</li> <li>• A significant number of complaints or dissatisfaction by the customers in relation to Distribution Partners</li> <li>• A significant number of complaints are received from customers in relation to their purchase or use of the product that reasonably suggests that the TMD is no longer appropriate</li> <li>• A material change to the product or the terms and conditions of the product occurs which would cause the TMD to no longer be appropriate</li> <li>• Quality assurance reviews indicate that the product has been sold to classes of customers for whom the product is clearly unsuitable</li> <li>• Material changes to the regulatory environment or relevant legislation which materially impacts upon the design and distribution of the product</li> <li>• Inquiry or action by ASIC or another regulator as to the design or distribution of the product</li> <li>• Descriptions or attributes contained in this TMD are found to include materially incorrect or misleading information</li> <li>• The extent and nature of any negative feedback from Distribution Partners indicating that they are unable to sell the product to eligible customers within the target market</li> <li>• The extent and nature of any negative feedback from Borrowers indicating that they are dissatisfied with the products</li> <li>• High rates of default by the customers in the target market</li> <li>• High number of customers of the target market seeking to switch to other loan products</li> <li>• Any other event or circumstance which reasonably suggests that the TMD is no longer appropriate</li> </ul>
<p><b>Review Periods</b></p>	<p><b>First review date:</b> 1 May 2025</p> <p><b>Periodic reviews:</b> Every 12 months, or immediately, in the event that a review is triggered or that the product is not meeting the target market requirements.</p>
<p><b>Distribution Information Reporting Requirements</b></p>	<p>The following information must be provided to Flexi by distributors who engage in retail product distribution conduct in relation to this product:</p>

<b>Type of Information</b>	<b>Description</b>	<b>Reporting period</b>
<b>Customer Complaints</b>	Number of complaints received in relation to the product	Every 6 months
<b>Broker Complaints</b>	The extent and the nature of the complaints received from brokers about difficulty in selling to the targets market	Every 6 months
<b>Significant dealing(s)</b>	Date or date range of the significant dealing(s) and description of the significant dealing (ie. why it is not consistent with the TMD)	As soon as practicable, and in any case within 10 business days after becoming aware
<b>Application details</b>	The broker is responsible to sight the original documents and make reasonable enquiries as to their authenticity to ensure that eligible customers are purchasing the product.	As soon as practicable
<b>Dealings outside of the target market</b>	To the extent a broker is aware of dealings outside of the target market, these should be reported to Flexi, including the reason why acquisition is outside of target market	Within 10 business days
<b>Customer payment default</b>	Customers within the target market are unable to meet their loan repayments	As soon as Practicable
<b>Customer dissatisfaction with the product</b>	The customer inquiring to change the product or making complaints about it	Every 6 months