

Target Market Determinations - Flexi Life and Flexi Life Plus

Legal Disclaimer:

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of customers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of Brighten Home Loans Pty Ltd ACN 620 839 983 (**Brighten**) design and distribution arrangements for the product.

This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. The information contained in this TMD does not consider any person's individual objectives, financial situation or needs.

Product	Flexi Life and Flexi Life Plus
Issuer	Brighten Home Loans Pty Ltd ACN 620 839 983 serviced by Brighten Financial Pty Ltd ACN 628 356 669 (Australian Credit Licence 512386)
Date of TMD	9 February 2026
Target Market	<i>Description of target market</i> The product is a reverse mortgage loan secured over a residential property asset by first mortgage. This product is suitable for individuals seeking a loan in order to purchase, refinance, or access existing home equity held in an owner occupied or holiday home. The product is suitable for customers who: • are 55 years of age or over (all joint applicants must be 55 years of age or over) • reside in Australia • own a residential property with a value of at least \$200,000 • require a lump sum payment or regular loan advances, future loan advances and/or redraw • require a variable interest rate • meet loan eligibility criteria including credit history, security acceptance, property condition, and AML/CTF requirements <i>Classes of customers for whom the product is clearly unsuitable</i> This product is unlikely to meet the needs, objectives and financial situation of borrowers who: • are not an individual (e.g. company, trustee) • are younger than 55 years of age • require a loan for the purpose of new construction • are using vacant land as security • require a fixed rate loan • require a total loan amount of less than \$50,000 • do not meet Flexi's credit or eligibility criteria • are looking for a second mortgage • will not take out independent legal advice on the loan agreement • if the product is taken out, will not have enough future equity available for their identified needs <i>Product Description, including key attributes</i> This product has the following key features:

	• variable interest rate loan where the rate can change at any time during the term • minimum loan amount of \$50,000 • maximum initial loan to value ratio (LVR) starting at 15% (at age 55) and increasing 1% per year until the age of 95 and over from which 55% is the maximum LVR • capitalised interest over the life of the loan with a no negative equity guarantee. • frequency of interest capitalisation is monthly • additional repayments are permitted • redraws of loan repayments made are permitted • no maximum loan term, with repayment due on sale of the security or 12-months from when the last remaining borrower ceases to reside in their home • Fees and charges payable may include valuation fees, settlement fees, legal fees, discharge fees, redraw fees, agent fees, and other fees and changes as set out in the loan contract <i>Likely objectives, financial situation and needs of customers in the target market</i> The likely objective of someone taking out this product is that they're seeking to improve their lifestyle, directly or indirectly (such as providing a gift to family), while remaining in their home. They wish to do this by accessing equity in their residential property. They're seeking a variable interest rate loan, with interest calculated daily and capitalised to the loan each month with the ability to make fee-free voluntary repayments at any time. Their likely financial situation could include a desire to access funds to support their lifestyle, financial needs, gifting to or supporting family, or fund ongoing aged care support. Their likely needs are to borrow funds to support their lifestyle, financial needs, or gifting to or supporting family, or fund ongoing aged care support with a variable rate of interest and no requirement to make regular repayments. Future financial needs (their short-term and long-term objectives) and other assets and financial options have been considered when deciding on taking out the loan, loan amount, and when loan draws will occur. This includes reflecting and making decisions regarding what future funds will be needed in relation to specific personal circumstances, which includes moving to another property, aged care, medical expenses, home improvements, emergency funds and leaving a bequeathment to beneficiaries. <i>Why the product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market</i> The product provides eligible customers with a lump sum and/or the ability to draw ongoing amounts over time with a variable interest rate, interest is calculated daily and capitalised to the loan each month, while allowing fee free voluntary payments. Applications are assessed by credit staff who undergo regular training on lending criteria. Customers are required to obtain independent legal advice. Full repayment is due when either the security property is sold, 12 months after the last borrower moves from their owner-occupied residential property (home) or passes away.
Distribution Conditions	<i>Distribution channels</i> This product is designed to be distributed directly via suitably trained staff, through third party distributors being accredited and licensed independent mortgage brokers, aggregator panels/networks and/or white label partners pursuant to specific agreements (Distribution Partners).

	<i>Distribution conditions</i> The Distribution Partners are appropriately licensed as an Australian Credit Licensee, employee of an Australian Credit Licensee or Credit Representative, and under this licence are required to maintain appropriate professional development training, to distribute the product to customers who are in the target market. The distribution channels and conditions are appropriate because: • Distribution Partners must comply with licensing and legislative requirements to ensure the product provided is in the best interests of each customer. • Flexi monitors application quality received from Distribution Partners, tracking trends that indicate poor practices, incomplete applications, or inadequate assessments. • Internal Distribution Partners have KPIs, monitoring and performance metrics in place and there is oversight regarding poor performing loans, fraud, AML/CTF breaches, and other unacceptable practices. • All external Distribution Partners have an agreement which includes commission or fee clawback clauses for poor performing loans, fraud, AML/CTF breaches, and other unacceptable practices. • We will not accept applications from customers who fall materially outside of the target market for this product.		
Review Periods	<i>First review date: 9 February 2027</i> <i>Periodic reviews:</i> Every 24 months or within 10 business days of a Review Trigger being identified.		
Review Triggers	The review triggers that would reasonably suggest that the TMD is no longer appropriate include: • A material change to the product or the terms and conditions of the product. • A significant dealing of the product, as decided by us, to customers outside the target market occurs. • Changes to the regulatory environment or relevant legislation which materially impacts upon the design and distribution of the product. • A material increase in customer complaints about the product or Distribution Partner conduct. • A material increase to default or hardship rates for the product. • A material or unexpected decline in applications from the target market. • A material or unexpected increase of customers seeking to switch to other products. • A notification from a regulator in relation to the distribution of the product. • Any other event or circumstance which reasonably suggests that the TMD is no longer appropriate.		
Distribution Information Reporting Requirements	Distribution Partners must provide the following information to Flexi:		
	<u>Type of Information</u>	<u>Description</u>	<u>Reporting period</u>
	Customer Complaints	If received, number of complaints received in relation to the product, the nature of the complaint, circumstances giving rise to the complaint and the complaint outcome.	Every 6 months
	Distribution Partner Complaints	If received, the extent and the nature of the complaints received about a Distribution Partner or from a Distribution Partner, whether external or internal, in relation to the product, the nature of the complaint, circumstances giving rise to the complaint and the complaint outcome. and/or about difficulty in selling to the targets market	Every 6 months

	Significant dealing(s)	Date or date range of the significant dealing(s) and description of the significant dealing (i.e. why it is not consistent with the TMD)	As soon as practicable, and in any event within 10 business days after becoming aware.
	Dealings outside of the target market	Date or date range of the dealing(s) outside of the target market (to the extent they are aware of such dealings) and the reason why distribution occurred.	Every 6 months