

AUDX Token - Target Market Determination

Effective Date: 19 December 2025

This Target Market Determination (**TMD**) describes the class of consumers for whom the AUDX Token (**Product or AUDX**) has been designed, and sets out distribution conditions, review triggers, review periods and distributor reporting to meet the design and distribution obligations in Part 7.8A of the Corporations Act

This TMD is issued by TAU Pty Ltd ACN 649 232 995

Any references to "we", "our" and "us" in this document means TAU Pty Ltd as the issuer of the Product.

About the Product

AUDX is a stablecoin that is issued, managed and secured using the ERC20 Ethereum blockchain and the Polygon chain. The Product is intended to maintain a stable price and value of 1 AUD per token.

The Product is a type of non-cash payment facility and can be used as a means of payment by transferring the ownership of an AUDX Token.

The AUDX token minting/issuance process generally involves the following steps:

- a minting partner or customer who holds a verified supported account makes a bank transfer of Australian dollars to initiate the minting process;
- the deposited funds are verified and held by the Issuer;
- the AUDX smart contract mints the tokens at a rate of 1 token per AUD transferred; and
- the AUDX tokens are deposited into the relevant wallet.

The AUDX tokens can be freely transferred, traded, used or exchanged following their issue.

The AUDX tokens can be redeemed generally through the following mechanism:

- a customer that holds a verified account can transfer AUDX to the relevant wallet for the purpose of redemption, which is publicly monitorable;
- a customer confirms or receives confirmation that the deposited tokens are verified and then transferred to a smart contract address where they are burned; and
- once the AUDX tokens have been burned, the equivalent amount of AUD held in reserve is released and transferred to the customer's approved bank account.

About TAU

We currently provide a non-cash payment facility to retail and wholesale clients (**Clients**). We do not hold an Australian Financial Services Licence at present and we rely on ASIC's no-action position as published in October 2025 to provide the Product. We are in the process of applying for an Australian Financial Services Licence.

About this TMD

The TMD describes:

- who the Product is suitable for;
- who the Product may not be suitable for;
- how the Product will be distributed by us to our Clients;
- how often we will review this TMD and when the next review will occur;
- what events or circumstance may trigger a review of this TMD; and
- the information that we need to decide if the TMD is no longer appropriate.

This TMD will apply to any AUDX issued by us after the effective date shown above. The TMD applies until it is replaced or withdrawn. We may review this TMD at any time.

This TMD is not intended to provide financial advice and does not form part of the terms and conditions for the Product. In addition to the key eligibility requirements outlined in this TMD, the Product may be subject to acceptance and eligibility criteria as determined by us from time to time.

When deciding whether to purchase the Product, you should consider the [Product Disclosure Statement \(PDS\)](#) and [terms and conditions](#) to decide whether the Product is right for you.

Our Product

Below is a description of the key features and attributes that impact whether the Product is likely to be suitable for a person's needs, objectives and circumstances.

Key Features	Description of Feature
1:1 Pegged backing	The AUDX token is pegged to the Australian dollar and is intended to maintain a 1:1 backing.
Reserves	We maintain reserves that fully back the AUDX on issue to ensure that the token maintains its pegging and that AUDX can be redeemed for fiat on demand.
No minting and management fees	We do not charge any fees for minting the AUDX token or for holding the reserves backing the Product. A fee may be charged for redemptions. Secondary markets (such as exchanges) may charge fees.
Fractional holdings	The AUDX token can be fractionalised to 18 decimals.

For full details of the terms and conditions of the Product, please refer to our PSD and terms and conditions.

Who is the Target Market for this Product

When we issue the Product, the Target Market is for persons that meet the criteria below. This Product is not suitable to be issued to anyone else.

The Target Market for this Product include Clients that meet some or all of the below criteria (depending on their particular use case for the AUDX):

- are individuals over the age of 18 years, companies, trusts, super funds, partnerships and associations;
- want a tokenised representation of AUD on the blockchain with blockchain settlement and payment characteristics;
- are comfortable holding and transferring fractional tokens;
- seek to utilise blockchain technology for efficient, transparent and near-instantaneous settlement of AUD-denominated transactions;
- wish to make payments using digital assets or who may wish to hold AUD-denominated value on-chain for use in decentralised finance (DeFi) applications, cross-border payments, or other blockchain-based use cases;
- have an email address, Australian bank account, supported blockchain wallet, Australian mobile number and internet access;

- have some experience with blockchain and maintain their own compatible digital asset wallet to receive and transfer tokens;
- are willing and able to complete identity verification (KYC) and anti-money laundering (AML) checks;
- understand the basic mechanics of blockchain technology, digital wallets, and cryptocurrency transactions;
- are capable of securely managing private keys and wallet credentials or using a facility to assist them with this;
- are able to tolerate redemption processes that may take several business days and potential issuer delays for liquidity, investment management or legal compliance.
- are able to bear a 1% fee on direct over-the-counter redemptions;
- are able to meet the minimum redemption amount of AU\$100,000;
- are able to bear third-party exchange, wallet or network fees where applicable;
- have sufficient financial resources to absorb potential delays in redemption or temporary illiquidity; and
- are not reliant on immediate access to the AUD value of their tokens for essential living expenses.

The Product is not suitable for:

- individuals under the age of 18;
- Clients unable or unwilling to complete KYC/AML checks, link an acceptable bank account in their name, or meet redemption minimums and fees for direct redemptions;
- Clients seeking non-AUD stablecoins for use on unsupported blockchains;
- Clients who want access to the redemption feature but who do not meet the minimum redemption amount;
- Clients intending to transact with sanctioned or otherwise blocked wallet addresses;
- Clients seeking deposit-like government guarantees or insurance over token balances;
- Clients who lack basic understanding of blockchain technology or digital asset management;
- Clients who do not have, and are not willing to maintain, a digital asset wallet; and
- Clients seeking investment returns or capital appreciation (the token is designed to maintain a stable 1:1 AUD peg).

The Product is designed for Clients whose objectives, financial situation and needs are described below. The Product is likely to be consistent with the likely objectives, financial situation and needs of Clients because:

- it is only available to those that have a wallet that able to hold the stablecoin; and
- it is designed for Clients who meet the eligibility criteria above.

Objectives and needs	The Product is designed for Clients who have experience in the blockchain and are seeking a 1:1 AUD backed stablecoin for the purpose of making payments or for other DeFi or blockchain use cases.
Financial situation	Clients who can afford to purchase the AUDX token (or any faction of it) and pay any fees by secondary market operators, who are not reliant on their AUDX balance for living expenses, and who can financially bear delays in redemption (where the Client desires to use the redemption feature).

Distribution of the Product

Distribution by us

The AUDX token can be distributed directly by us to those who are approved Clients that have completed an application, onboarding and review process (including AML/CTF and KYC, age 18+, Australian bank account checks, target-market alignment).

Distribution by third-parties

The AUDX token will otherwise be issued by digital currency exchanges that list the AUDX token. We have conditions in place to help ensure that the Product is only issued to Clients who are in the Target Market. These conditions include:

- the Product can only be distributed to the target market in accordance with this TMD;
- the distribution processes used are designed to identify individuals and businesses outside the target market and prevent the Product being sold to them;
- to report any significant dealings in relation to the distribution; and
- Clear disclosure of any fees charged by third party distributors.

The distribution conditions make it likely that our Clients to whom we distribute the Product are within the Target Market because the conditions are supported by reasonably appropriate design and distribution controls. We will monitor distribution activities to identify any concerning trends or significant dealings outside the target market.

Reviewing Our Target Market Determination

It is important that we review this TMD to make sure it is appropriate for the needs of our Clients. When we review this TMD, we will consider information which we collect. This information covers:

- eligibility for the Product;
- details of the tokens on issue;
- customer information;
- product review outcomes;
- dealings of Product outside of the TMD;
- feedback and complaints; and
- redemption practices.

The review process will consider whether:

- the Target Market remains appropriate;
- distribution conditions are effective in directing distribution to the Target Market;
- review triggers or reporting periods should be adjusted;
- product features or terms should be modified; and
- distribution should continue, be restricted, or cease.

The first review will take place 1 year from the effective date of this TMD and then we will review this TMD every 12 months from the date of the last review to ensure it is still appropriate.

We may conduct more frequent reviews in our complete discretion.

Review Triggers

Certain events and circumstances taking place could mean that a review should take place earlier than the scheduled reviews. This is because these events and circumstances may reasonably suggest that the TMD is no longer appropriate or the Product is no longer consistent with the likely objectives,

financial situation and needs of the people in the Target Market. These events and circumstances are called **review triggers**. Below is a list of review triggers for this TMD:

- a significant dealing in the Product occurs, for example a significant number of persons who are not in the target market acquire the Product or is of a nature or scale that could reasonably suggest the TMD is no longer appropriate;
- there is a material deviation from the 1:1 AUD peg for an extended period;
- there is evidence of widespread misunderstanding about AUDX;
- there are material changes to the blockchain on which AUDX is issued.
- we make a significant change to the eligibility criteria for the Product;
- we make some other significant change to the Product, including the terms and conditions;
- there is a relevant and significant change or event affecting a reasonable proportion of people in the target market (e.g. a change in law or regulation);
- we make a significant change to the way AUDX is offered, redeemed or distributed;
- there is a pattern of complaints or feedback relating to the appropriateness of the Product for the target market or which may suggest that clients do not see value in the Product. We record all complaints that we receive about the Product and will review them on a quarterly basis;
- we receive a significant number of complaints which may suggest that this Product is not performing appropriately for the target market;
- we identify that we have been selling or distributing the Product to people outside the target market in a way that raises concerns about negative outcomes;
- feedback, orders or directions from a regulator or external dispute resolution body suggests the TMD is no longer appropriate;
- there is a change in law, regulatory guidance or industry code which may materially affect the terms of the Product or its distribution, or regulatory feedback or concerns or media attention that materially affects the design or distribution of the Product and suggests the TMD may no longer be appropriate; and
- we detect significant changes in other metrics relating to the suitability of the Product for the target market, including but not limited to number of Products sold and nature and number of complaints.

In determining whether a significant dealing has occurred that is outside of the Target Market, we may take into account the following factors, including (but not limited to):

- the percentage of risk associated with the number of people who obtain the Product and are not within the Target Market including the proportion of people excluded from acquiring the product;
- the nature and extent of the inconsistency of distribution with the TMD;
- the proportion of gross income obtained from the Product in respect of people who are not in the Target Market;
- the time period in which these acquisitions outside the Target Market occurred; and
- the monetary loss incurred to those who are not in the Target Market.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD as soon as possible, and in any event within 10 business days of our decision.

Reporting and Record Keeping

Distributors must report the number of complaints they receive about our product on a quarterly basis.

Distributors must report:

- the total number of complaints received relating to the AUDX Token;
- a summary of the nature and subject matter of complaints; and
- any complaints that may indicate the product is being distributed outside the Target Market.

We will keep complete and accurate records of decisions and reasons relating to this TMD and associated reviews (including underlying data) for up to seven years.