

**TAO COMMODITIES LIMITED**  
**ACN 618 935 372**

**Securities Trading Policy**

In this policy, references to the Company include all subsidiaries and controlled entities of the Company, except where a subsidiary or controlled entity is listed on a stock exchange and has its own policy on dealing in securities.

**Overview**

1. This policy applies to the following (each a "Restricted Person"):
  - (a) those persons having authority and responsibility for planning, directing and controlling the Company's activities, directly or indirectly ("Key Management Personnel"). Hence, this policy applies to all of the Company's directors and to any senior executive who has authority and responsibility for planning, directing and controlling the Company's activities;
  - (b) close family members of Key Management Personnel, including spouses and de facto spouses and minor children and other family members as notified by the Company to Key Management Personnel;
  - (c) any private company or trust:
    - (i) which is controlled by a member of Key Management Personnel or their close family members; or
    - (ii) in which a member of Key Management Personnel or a close family member of Key Management Personnel holds an interest;
  - (d) any public company in which a member of Key Management Personnel is a director, employee or substantial shareholder; and
  - (e) Company employees,
2. Restricted Persons are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities. The purpose of this policy is to assist Restricted Persons to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict prohibitions of the *Corporations Act 2001* (Cth) ("**Corporations Act**").
3. The establishment of a policy in relation to trading by Key Management Personnel is required by ASX Listing Rule 12.12.
4. Where a Restricted Person is not a member of Key Management Personnel the member or members of Key Management Personnel who have a relevant relationship with the Restricted Person are required to ensure that the Restricted Person is provided a copy of this policy and complies with this policy.
5. Division 3 of Part 7.10 of the Corporations Act contains specific prohibitions on insiders, i.e. persons who possess "inside information", from:
  - (a) being involved in, procuring or dealing in relation to relevant investment products (including shares, debentures, derivatives, managed investment products or tradable securities); or
  - (b) communicating the inside information to persons likely to be involved in a dealing in the relevant investment product.

6. Inside information is information that:
  - (a) is not generally available; or
  - (b) if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the particular investment product;
  - (c) includes matters of supposition and matters insufficiently definite to warrant being made known to the public.
7. The Board has established the following policy in relation to trading in the Company's securities (including shares and options) by Restricted Persons. The policy reinforces the Corporations Act prohibitions on insider trading and addresses the requirements of ASX Listing Rule 12, as well as including additional provisions to ensure good governance.
8. Trading of securities by Restricted Persons is only allowed when the particular person is not in possession of inside information (as defined in Division 3 of Part 7.10 of the Corporations Act) and (subject to limited exceptions) the trading occurs during a Permitted Trading Period.

#### **Permitted Trading Periods**

9. Subject to clause 8, Restricted Persons may trade in Tao Commodities securities or derivative products in the following circumstances:
  - (a) It is not a Prohibited Period and they are not subject to a Relevant Person Prohibition pursuant to clause 11; or
  - (b) Where the trade to be conducted is excluded from this policy in accordance with clause 13; ("Permitted Trading Period").
10. Where a Restricted Person wishes to trade during a Permitted Trading Period, no consent is required, although notification of the trade must be made in accordance with clauses 28 and 30 of this policy (as applicable).

#### **Prohibited Trading Periods and the Relevant Person Prohibition**

11.
  - (a) Subject to clause 13, trading in Tao Commodities securities or derivative products is not permitted during the following periods (each a "Prohibited Period"):
    - (i) 5 trading days before and 3 first trading days after the day on which the full year financial results for the Company are released to the ASX;
    - (ii) 5 trading days before and 3 first trading days after the day on which the interim financial results for the Company are released to the ASX;
    - (iii) 5 trading days before and 3 first trading days after the day on which any required quarterly report are released to the ASX in respect of the preceding calendar quarter; and
    - (iv) For Restricted Persons that have been so advised by the Company Secretary ("Relevant Persons"), at any time when the Relevant Person is in possession of material information about the Company which has not been disclosed to the market pursuant to ASX Listing Rule 3.1A ("Relevant Person Prohibition").
  - (b) The Company Secretary will notify all Restricted Persons or Relevant Persons (as applicable) by email when a Prohibited Period commences and ceases.
12. In the interests of good corporate governance, the Company has extended the policy to a broader category of Restricted Persons (as outlined above).

#### **Trading excluded from this policy**

13. This policy does not preclude Restricted Persons from:

- (a) acquiring securities as a result of:
  - (i) an offer under an employee incentive scheme operated by the Company; or
  - (ii) a performance share right vesting, exercising options or converting convertible securities. However this does not include the subsequent sale of the underlying shares following vesting, exercise or conversion;
- (b) transferring securities already held into a superannuation fund or similar saving scheme in which the relevant person is a beneficiary;
- (c) investing or trading in a fund or scheme where the investment decisions are made by a third party, provided that the fund or scheme does not invest exclusively in Tao Commodities securities;
- (d) trading in securities by a relevant person as a trustee (who is not also a beneficiary of the trust) and the decision to trade is made by other trustees or investment managers independently of the relevant person;
- (e) undertaking to accept, or accepting, a takeover offer;
- (f) trading under an offer or invitation made to all or most security holders, including dividend reinvestment plans, share purchase plans, rights issues and equal access buy-backs, where the timing and structure of the plan has been approved by the Board; and
- (g) a disposal of Tao Commodities securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement,

however, except in relation to clause 13(a), trading of securities by Restricted Persons is only permitted when the particular person is not in possession of inside information (as defined in Division 3 of Part 7.10 of the Corporations Act).

#### **Trading procedures during a Prohibited Period – exceptional circumstances**

14. Where clause 11(a) applies, trading by Restricted Persons in Tao Commodities securities may be permitted where there are exceptional circumstances and with prior approval obtained from the Chairman, or in the case of trading by the Chairman or a Restricted Person who is a Restricted Person by reason of their association with the Chairman, from the Board.
15. Exceptional circumstances are severe financial hardship or a pressing financial commitment that cannot be satisfied otherwise than by selling Tao Commodities securities.
16. Exceptional circumstances will be assessed on a case by case basis, and may include (non-exhaustive list):
  - (a) Court orders or court enforceable undertakings requiring the sale of Tao Commodities securities; or
  - (b) a tax liability, but only where the relevant person has no other means of satisfying the liability. A tax liability relating to securities received under an incentive scheme would not normally constitute exceptional circumstances.
17. The Chairman may confer with the Board as necessary when considering a request.
18. A request for clearance is to be completed using Form A and will be answered within 2 ASX trading days and may be answered via email.
19. If approval is given to the Restricted Person where exceptional circumstances apply, the relevant Restricted Person must deal in accordance with that approval within 5 ASX trading days of the approval. If dealing does not occur within this time period, the approval will lapse.
20. Once the approved trade has been completed, the Restricted Person must provide the Company Secretary with the following details using the confirmation section of Form A within 2 ASX trading days of the trade being undertaken:

- (a) the nature of the transactions (i.e. purchase or sale);
- (b) the name of the Restricted Person;
- (c) the date of the transactions;
- (d) the number of securities traded; and
- (e) the consideration.

Confirmation using Form A may be provided via email.

21. Approval to trade where there are exceptional circumstances does not relieve the relevant Restricted Person from compliance with clause 8 or the obligations imposed by the Corporations Act. For example, if the Restricted Person is or becomes aware of inside information, then trading is not permitted. Any approval may also be revoked at any time.

#### **Other Securities**

22. The prohibition on insider trading under the Corporations Act includes dealings in securities of other companies with which the Tao Commodities Group may be dealing (this includes dealings related to their customers and partners). Where a Restricted Person has inside information about other securities, they should not trade in Tao Commodities securities or securities in the other company ("**Other Securities**").
23. Individuals working on a transaction or project may be notified that they may not trade in the securities of other entities involved in the transaction or project. In addition, individuals who become aware of inside information in relation to Other Securities in connection with their work for the Company must notify the Company Secretary. The Company Secretary is to update and advise any person to whom the restriction on trading in Other Securities applies ("**Relevant Persons**") via e-mail. Trading in those securities by Relevant Persons will be prohibited until the restriction is lifted.
24. The Board may also identify certain securities as Other Securities for the purpose of this policy and may specify the Relevant Persons to whom the restriction on trading in securities applies. Trading in those securities by Relevant Persons will be prohibited until the restriction is lifted. The Company Secretary will e-mail Relevant Persons to advise of any changes to the identified Other Securities from time to time.

#### **No speculative trading/hedging**

25. Restricted Persons must not enter into transactions in products associated with shares or options in the Company that operate to limit the economic risk of holding the shares or options in the Company during a Prohibited Period, and must not enter into transactions in products associated with shares or options in the Company that operate to limit the economic risk of holding any unvested shares or options or performance rights in the Company at any time.
26. Restricted Persons must not trade in any securities of the Company (including shares, options, contracts for difference, warrants, or derivatives) for speculative reasons or short-term gain.

#### **Margin loan disclosure**

27. Where a Restricted Person has a margin loan which is secured in whole or in part by Tao Commodities securities, that person or entity must provide details of the margin loan and the number of Tao Commodities securities being secured by the loan to the Company Secretary within 2 ASX trading days of the margin loan being obtained.

#### **Notification to the Company and ASX**

28. Prior to any trading by a Restricted Person except trading referred to in clause 13 the Restricted Person must notify the Chairman (or in the case of the Chairman or a person who is a Restricted Person because of their relationship with the Chairman, the Company Secretary) at least 24 hours before conducting a trade.
29. Tao Commodities must notify the ASX on behalf of a director of any acquisition or disposal of a relevant interest in Tao Commodities securities by a director within 5 business days. Directors must

notify the Company Secretary within 2 ASX trading days of details of trading in Tao Commodities securities in which they have a relevant interest using Form A or B (as applicable) so that the Company Secretary can notify ASX within the required timeframe. The Company Secretary will provide a copy of the ASX release to all directors of Tao Commodities.

30. Where a Restricted Person not covered by clause 28 conducts a trade in Tao Commodities securities where approval is not required under this policy, they must notify the Company Secretary using the Form B within 2 ASX trading days of undertaking the transaction.

**Records of dealings**

31. The Company Secretary will also maintain a Register of Notifications, Requests and Trading to record requests and trades in Tao Commodities securities.

# Form A

## Trading Request Form – Prohibited Period

Forward to the Company Secretary prior to acquisition or disposal of securities during a Prohibited Period

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Employee Name

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Position

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Contact No:

### Dealing Request

I request permission to trade in the following securities, which are held, or proposed to be held, by a Restricted Person\*.

Tao Commodities Securities – Shares or Options?	No. of Securities	Buy/Sell/Exercise & Hold/Exercise and Sell	Prohibited Period?

\* Approval to trade does not relieve the relevant Restricted Person from compliance with clause 8 of the Trading Policy or the obligations imposed by the Corporations Act. For example, if the Restricted Person is or becomes aware of inside information then trading is not permitted regardless of whether approval has been provided. Any approval may also be revoked at any time.

### Exceptional circumstances

I will suffer financial hardship if I am unable to trade at the current time as described below:

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**Acknowledgement** (to be completed prior to dealing)

In submitting this request to deal in the indicated securities in the manner detailed the applicant acknowledges that:

- I am not in possession of any price-sensitive information regarding the security.
- I may be refused permission to deal without explanation.
- I will not deal in the above securities until approval is given.
- If approval is given, I will be entitled to trade for a period of 5 ASX trading days provided I do not have any inside information. After this time, approval will lapse and further approval will be required.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

**Approval** (to be completed by Chairman or Board)

Authorised to deal:

Yes

No

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorised signatory name

\_\_\_\_\_  
Signature

**Confirmation** (to be completed after all dealings and returned to the Company Secretary)

\_\_\_\_\_  
Nature of transaction

\_\_\_\_\_  
Name of Restricted Person

\_\_\_\_\_  
Date

\_\_\_\_\_  
Consideration

\_\_\_\_\_  
Number of securities

# Form B

## Trading Confirmation where prior approval is not required

Forward to the Company Secretary following an acquisition or disposal of securities where prior approval is not required.

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Restricted Person's Name

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Position

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Contact No:

Tao Commodities Securities – Shares or Options?	No. of Securities	Buy/Sell/Exercise & Hold/Exercise and Sell	Consideration	Date of Transaction

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Signature

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Date