# TAO COMMODITIES LIMITED

# PROPOSED TO BE RENAMED 'HYPERION METALS LIMITED'

ACN 618 935 372

# **NOTICE OF GENERAL MEETING**

A General Meeting of the Company will be held at Level 27, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 14 April 2021 commencing at 10:00 am (AWST).

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 6322.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.

# **TAO COMMODITIES LIMITED**

#### ACN 618 935 372

# **NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of shareholders of Tao Commodities Limited (**Company**) will be held at Level 27, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 14 April 2021 commencing at 10:00 am (AWST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for the Resolution.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.piedmontlithium.com and the ASX announcement platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 12 April 2021 at 5:00pm (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## **AGENDA**

# 1. Resolution 1 - Change of Company Name

To consider and, if thought fit, to pass with or without amendment the following Resolution as a special resolution:

"That, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, Shareholders adopt "Hyperion Metals Limited" as the new name of the Company with effect from the date that ASIC alters the details of the Company's registration and on the terms and conditions in the Explanatory Memorandum."

# 2. Resolution 2 – Ratify Issue of Prior Placement Shares

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 12,150,000 Shares issued under Listing Rule 7.1 at an issue price of A\$0.30 each, on the terms and conditions in the Explanatory Memorandum."

# **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and/or their nominee(s)) who participated in the issue or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# 3. Resolution 3 – Issue of Performance Rights to Director – Mr Anastasios Arima

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 6,000,000 Performance Rights to Mr Anastasios Arima (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

#### **Voting Exclusion**

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Anastasios Arima (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

#### Corporations Act

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Anastasios Arima or any associate.

However, a person described above may cast a vote on this Resolution if:

- (a) it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

# 4. Resolution 4 – Issue of Incentive Options to Director – Mr Todd Hannigan

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 1,750,000 Incentive Options to Mr Todd Hannigan (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

# **Voting Exclusion**

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Todd Hannigan (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

#### Corporations Act

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Todd Hannigan or any associate.

However, a person described above may cast a vote on this Resolution if:

- (a) it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

# 5. Resolution 5 – Issue of Performance Rights to Director – Mr Alastair Smith

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 450,000 Performance Rights to Mr Alastair Smith (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

#### **Voting Exclusion**

## Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Alastair Smith (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

#### Corporations Act

The Company will disregard any votes cast on this Resolution by or on behalf of Mr Alastair Smith or any associate.

However, a person described above may cast a vote on this Resolution if:

- (a) it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

# 6. Resolution 6 – Approval of Employee Equity Incentive Plan

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13 and for all other purposes, Shareholders approve the Tao Commodities Limited Employee Equity Incentive Plan (**Plan**), and the grant of Incentive Securities and the issue of underlying securities under the Plan, on the terms and conditions in the Explanatory Memorandum."

# **Voting Exclusion**

## Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Plan or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

# Corporations Act

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

# BY ORDER OF THE BOARD

Gregory Swan
Company Secretary

Dated: 12 March 2021

## TAO COMMODITIES LIMITED

## ACN 618 935 372

## **EXPLANATORY MEMORANDUM**

## 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 27, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Wednesday, 14 April 2021 commencing at 10:00 am (AWST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2:	Action to be taken by Shareholders	
Section 3:	Resolution 1 – Change of Company Name	
Section 4:	Resolution 2 – Ratify Issue of Prior Placement Shares	
Section 5: Resolution 3 – Issue of Performance Rights to Director – Mr Anastasios Arima		
Section 6: Resolution 4 – Issue of Incentive Options to Director – Mr Todd Hannigan		
Section 7:	Resolution 5 – Issue of Performance Rights to Director – Mr Alastair Smith	
Section 8:	Resolution 6 – Approval of Employee Equity Incentive Plan	
Schedule 1:	Definitions	
Schedule 2:	Summary of Employee Equity Incentive Plan	
Schedule 3:	Terms and Conditions of Performance Rights	
Schedule 4:	Terms and Conditions of Incentive Options	

A Proxy Form is located at the end of the Explanatory Memorandum.

# 2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolution.

# 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00 am (AWST) on Monday, 12 April 2021, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

# 2.2 Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restrictions on public gatherings.

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at taocommodities.com.au and the ASX market announcements platform.

# 3. Resolution 1 – Change of Company Name

The Directors have determined to change the name of the Company "Hyperion Metals Limited."

Resolution 1 seeks Shareholder approval to change the name of the Company.

In accordance with section 157 of the Corporations Act, if a company wants to change its name, it must pass a special resolution adopting the new name.

Resolution 1 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The change of name to Hyperion Metals Limited will take effect on the date that ASIC alters the details of the Company's registration.

The Company has reserved "HYM" as its new ASX code to take effect following the change of name.

The Directors recommend that Shareholders vote in favour of Resolution 1.

# 4. Resolution 2 – Ratify Issue of Prior Placement Shares

#### 4.1 Background

On 29 January 2021, the Company completed a placement of 12,150,000 Shares (**Prior Placement Shares**) at an issue price of A\$0.30 per Share to raise gross proceeds of A\$3,645,000 (**Prior Placement**).

The Prior Placement Shares were issued to institutional and sophisticated investors on 27 and 29 January 2021 pursuant to the Company's existing capacity under Listing Rule 7.1.

Mr. Todd Hannigan subscribed for 3,333,334 Shares to raise A\$1,000,000 with the remaining shares allocated to institutional and sophisticated investors, predominately in Australia and the United States (who are not related parties or associates of related parties of the Company).

Proceeds from the Placement will be used to rapidly accelerate the exploration and development of the Company's Titan Heavy Mineral Sands Project in Tennessee, United States and for general corporate purposes.

The issue price represents a 13% discount to the 5-day volume weighted average price and a 5% discount to the 20-day volume weighted average price.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Prior Placement Shares.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

#### 4.2 Listing Rule 7.4

Listing Rule 7.1 provides that the Company is entitled to issue or agree to issue Equity Securities up to 15% of its issued share capital during any 12-month period, subject to specific restrictions, without needing prior shareholder approval (15% Placement Capacity).

Listing Rule 7.4 provides that if the Company in general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 2 will be to allow the Company to retain the flexibility to issue equity securities in the future up to the 15% Placement Capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 2 is not passed, the Prior Placement Shares will be included in the Company's 15% Placement Capacity set out in Listing Rule 7.1 for the 12 months period following the issue of the Prior Placement Shares.

# 4.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Prior Placement Shares as follows:

- (a) the Company issued the Prior Placement Shares pursuant to Listing Rule 7.1 to nominees of Mr Todd Hannigan and other institutional and sophisticated investors, predominately in Australia and the United States, identified by the Directors, who are not related parties or associates of related parties of the Company;
- (b) 12,150,000 fully paid ordinary shares were issued;
- (c) the Prior Placement Shares will rank equally in all respects with the Company's existing Shares on issue:
- (d) the Prior Placement Shares were issued on 27 and 29 January 2021;
- (e) the Prior Placement Shares were issued for A\$0.30 per Share;
- (f) proceeds from the Placement will be used to rapidly accelerate the exploration and development of the Company's Titan Heavy Mineral Sands Project in Tennessee, United States, and for general corporate purposes; and
- (g) a voting exclusion statement is included in the Notice for Resolution 2.

#### 4.4 Directors recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

# 5. Resolution 3 – Issue of Performance Rights to Director – Mr Anastasios Arima

#### 5.1 General

On 18 February 2021, the Company announced that Mr Anastasios Arima had been appointed Managing Director of the Company, effective from 1 March 2021, and announced that it would seek shareholder approval to issue Mr Anastasios Arima (and/or his nominees) the following Performance Rights as part of his remuneration as Managing Director of the Company:

- (a) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue;
- (b) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue; and
- (c) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue;

Resolution 3 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the issue of up to 6,000,000 Performance Rights to Mr Anastasios Arima (and/or his nominee) under the Plan.

In the Company's present circumstances, the Board considers that the grant of the Performance Rights to Mr Arima is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Arima and is consistent with the strategic goals and targets of the Company.

Mr Arima is a resource company executive with a history of identifying company-making resource projects and brings recent successful experience in the exploration, development and permitting of mineral resource projects in the south eastern United States.

Mr Arima is currently a Director of Piedmont Lithium Limited (ASX:PLL) and was founder of Piedmont's subsidiary, Piedmont Lithium Carolinas Inc., and instrumental in identifying and securing the properties that comprise a large part of the Piedmont Lithium Project.

He attended the University of Western Australia where he earned a Bachelor of Commerce whilst studying for a Bachelor of Engineering.

Mr Arima was appointed a Director of the Company on 1 December 2020 and Managing Director of the Company effective from 1 March 2021.

The Company has set performance criteria for the Performance Rights to ensure that they only vest upon achievement of fundamental milestones that will drive the long-term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr Arima (and/or his nominee) are summarised in Schedule 3.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

#### 5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly. The entitlement to be granted up to 6,000,000 Performance Rights under the Plan constitutes the giving of a financial benefit as Mr Anastasios Arima is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of up to 6,000,000 Performance Rights to Mr Anastasios Arima (and/or his nominee).

# 5.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Performance Rights to Mr Arima:

- (a) the financial benefits relating to the issue of the Performance Rights are being provided to Mr Arima (and/or his nominee) pursuant to Resolution 3:
- (b) Mr Arima is to be issued:
  - 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue;
  - (ii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue: and
  - (iii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue:
- (c) Mr Arima has a material personal interest in the outcome of Resolution 3 and therefore believes it inappropriate to make a recommendation;
- (d) the value of the Performance Rights, provided the vesting conditions are satisfied, have an estimated value of A\$0.85 each, based on a Share price of A\$0.85 (being the closing price of a Share on 11 March 2021). As a result, the total value attributed to the Performance Rights to be issued to Mr Arima (and/or his nominee) would be approximately A\$5,100,000;
- (e) the current remuneration package of Mr Arima consists of a fixed remuneration component of US\$180,000 per annum and a discretionary performance bonus of up to US\$100,000 per annum upon the achievement of relevant key performance indicators to be determined by the Company. In addition, Mr Arima has previously been issued 1,000,000 unlisted incentive options exercisable at A\$0.25 each and expiring 31 December 2023 as part of his remuneration arrangements;
- (f) the current security holdings of Mr Arima (and/or his nominees) is;
  - (i) 3,312,500 fully paid ordinary shares;
  - (ii) 625,000 unlisted options (each with an exercise price of \$0.20 and expiring 1 December 2025);
  - (iii) 1,000,000 unlisted options (each with an exercise price of \$0.25 and expiring 31 December 2023);
  - (iv) 2,250,000 unlisted Class A performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class A Milestone on or before 1 December 2024):
  - (v) 2,250,000 unlisted Class B performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class B Milestone on or before 1 December 2025);
  - (vi) 500,000 unlisted Class A performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2024); and
  - (vii) 500,000 unlisted Class B performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2025).

- (g) if all the Performance Rights subject to Resolution 3 are converted into Shares, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 103,093,384 (being the total number of Shares on issue as at the date of this Notice) to 109,093,384 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.5%;
- (h) a voting exclusion statement is included in the Notice for the purposes of Resolution 3; and
- (i) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.

# 5.4 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

The effect of passing Resolution 3 will be to allow the Company to issue an aggregate of 6,000,000 Performance Rights to Mr Arima (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2 Exception 14.

If Resolution 3 is not passed, the Company will not issue the relevant Performance Rights to Mr Arima (and/or his nominees) and he may resign from the Board.

# 5.5 Specific Information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Performance Rights to Mr Arima (and/or his nominee):

- (a) 6,000,000 Performance Rights will be granted to Mr Anastasios Arima, Managing Director of the Company (and/or his nominees);
- (b) Mr Arima is a Director of the Company and thus a related party under Listing Rule 10.11.1;
- (c) the maximum number of Performance Rights to be granted to Mr Arima (and/or his nominee) is 6,000,000;
- (d) the material terms of the Performance Rights are as follows:
  - 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue;
  - (ii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue; and
  - (iii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue: and
  - (iv) the Performance Rights are subject to the terms and conditions summarised in Schedule 3 to this Notice;
- (e) the Company will grant the Incentive Options no later than 1 month after the date of the Meeting;
- (f) the Performance Rights will be granted for nil consideration;
- (g) the Performance Rights are being issued as a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Arima and is considered by the Board to be consistent with the strategic goals and targets of the Company;
- (h) the current remuneration package of Mr Arima consists of a fixed remuneration component of US\$180,000 per annum and a discretionary performance bonus of up to US\$100,000 per annum upon the achievement of relevant key performance indicators to be determined by the Company. In addition, Mr Arima has previously been issued 1,000,000 unlisted incentive options exercisable at A\$0.25 each and expiring 31 December 2023 as part of his remuneration arrangements;
- (i) the Performance Rights are being issued pursuant to Mr Arima's appointment as Managing Director of the Company. Mr. Arima is engaged as Managing Director under a consulting agreement that the Company may terminate without cause by providing 6 months' written notice. Mr. Arima will be paid fees of US\$180,000 per annum and a discretionary performance bonus of up to US\$100,000 per annum upon the achievement of relevant key performance indicators to be determined by the Company;
- (j) a voting exclusion statement is included in the Notice for the purposes of Resolution 3.

#### 5.6 Directors' recommendations

The Directors (other than Mr Anastasios Arima) recommend that Shareholders vote in favour of Resolution 3

# 6. Resolution 4 – Issue of Incentive Options to Director – Mr Todd Hannigan

#### 6.1 General

Mr Todd Hannigan was appointed Non-Executive Chairman of the Company on 20 January 2021 (**Appointment Date**), at which time the Company announced that it would seek shareholder approval to issue Mr Todd Hannigan (and/or his nominees) the following Incentive Options:

- (a) 875,000 Incentive Options exercisable at A\$0.45 each on or before 31 December 2023; and
- (b) 875,000 Incentive Options exercisable at A\$0.55 each on or before 31 December 2023,

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the grant of an aggregate of 1,750,000 Incentive Options to Mr Hannigan (and/or his nominees). As at the Appointment Date, these Incentive Options were intended to be part of the long-term incentive component of his remuneration as Non-Executive Chairman of the Company.

As at the Appointment Date, the board considered that the grant of these Incentive Options to Mr Hannigan was an effective and efficient reward for the Company to appropriately incentivise the continued performance of Mr Hannigan and was consistent with the strategic goals and targets of the Company. There are no specific performance criteria on the Incentive Options as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr Hannigan and the performance and value of the Company are closely related.

Subsequent to the Appointment Date, the Company's Share price has steadily increased such that the Incentive Options are now in-the-money and can be exercised for immediate value by Mr Hannigan.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

# 6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly. The entitlement to be granted up to 1,750,000 Incentive Options constitutes the giving of a financial benefit as Mr Hannigan is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of up to 1,750,000 Incentive Options to Mr Hannigan (and/or his nominee).

# 6.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Incentive Options to Mr Hannigan under the Plan:

- (a) the financial benefits relating to the issue of the Incentive Options are being provided to Mr Hannigan (and/or his nominee) pursuant to Resolution 4:
- (b) Mr Hannigan is to be issued 1,750,000 Incentive Options as a cost-effective and efficient reward to incentivise his performance. The Incentive Options will be granted to Mr Hannigan (and/or his nominees) on the terms and conditions in Schedule 4;
- (c) Mr Hannigan has a material personal interest in the outcome of Resolution 4 and therefore believes it inappropriate to make a recommendation;
- (d) the value of the Incentive Options to be issued to Mr Hannigan (using a Black Scholes Option Pricing Model) is A\$1,015,000:
- (e) the current remuneration package of Mr Hannigan consists of a fixed remuneration component of A\$60,000 per annum plus compulsory superannuation. Mr. Hannigan was issued 3,333,334 Shares under the Prior Placement. Subject to Shareholder approval, Mr Hannigan will also be issued 1,750,000 Incentive Options pursuant to Resolution 4.
- (f) the current security holdings of Mr Hannigan (and/or his nominees) is:
  - (i) 7,951,691 fully paid ordinary shares;

- (ii) 350,000 unlisted options (each with an exercise price of \$0.20 and expiring 1 December 2025):
- (iii) 1,260,000 unlisted Class A performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class A Milestone on or before 1 December 2024);
- (iv) 1,260,000 unlisted Class B performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class B Milestone on or before 1 December 2025);
- (v) 280,000 unlisted Class A performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2024); and
- (vi) 280,000 unlisted Class B performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2025).
- (g) if all the Incentive Options subject to Resolution 4 are converted into Shares, a total of 1,750,000 Shares would be issued. This will increase the number of Shares on issue from 103,093,384 (being the total number of Shares on issue as at the date of this Notice) to 104,843,384 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.7%;
- (h) a voting exclusion statement is included in the Notice for the purposes of Resolution 4; and
- (i) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.

# 6.4 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

The effect of passing Resolution 4 will be to allow the Company to issue an aggregate of 1,750,000 Incentive Options to Mr Hannigan (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2 Exception 14.

If Resolution 4 is not passed, the Company will not issue the relevant Incentive Options to Mr Hannigan (and/or his nominees) and he may resign from the Board.

# 6.5 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) the 1,750,000 Incentive Options will be issued to Mr Todd Hannigan, Non-Executive Chairman of the Company (and/or his nominees);
- (b) Mr Hannigan is a Director of the Company and thus a related party under Listing Rule 10.11.1;
- (c) the maximum number of Incentive Options that will be issued to Mr Hannigan pursuant to Resolution 4 is 1,750,000;
- (d) the material terms of the Incentive Options are as follows:
  - 875,000 Incentive Options are exercisable at A\$0.45 each on or before 31 December 2023;
  - (ii) 875,000 Incentive Options are exercisable at A\$0.55 each on or before 31 December 2023; and
  - (iii) the Incentive Options are subject to the terms and conditions summarised in Schedule 4:
- (e) the Company will grant the Incentive Options no later than 1 month after the date of the Meeting;
- (f) each Incentive Option will be granted for nil consideration and no funds are being raised from the issue:
- (g) the relevant Incentive Options to be issued to Mr Hannigan as announced on 20 January 2021 were granted pursuant to his appointment letter to incentivise him in his role as Chairman. Since 20 January 2021, the Company's Share price has increased significantly such that the Incentive Options are in-the-money and may be exercised immediately upon their issue. If the Incentive Options were exercised immediately, Mr Hannigan would be issued 1,750,000 Shares on conversion of the Incentive Options. Based on a Share price A\$0.85 (being the closing price of a

Share on 11 March 2021), the Shares issued on conversion of the Incentive Options would have a value of \$1,487,500. If the Incentive Options remain unexercised, the value of the Incentive Options (using a Black Scholes Option Pricing Model) is A\$1,015,000;

- (h) the current remuneration package of Mr Hannigan consists of a fixed remuneration component of A\$60,000 per annum plus compulsory superannuation;
- (i) the Incentive Options are being issue pursuant to Mr Hannigan's appointment letter, the material terms of which are as follows:
  - (i) Mr Hannigan's role as a Director will be that of a Non-Executive Chairman;
  - (ii) Mr Hannigan's responsibilities are to perform all duties consistent with that of a Non-Executive Chairman of an ASX listed entity:
  - (iii) Mr Hannigan's term of appointment is ongoing subject to the Corporations Act and his successful re-election under the Company's Constitution and the ASX Listing Rules;
  - (iv) Mr Hannigan's remuneration consists of a fixed remuneration component of A\$60,000 per annum and the Incentive Options to be issued under Resolution 4; and
  - (v) Mr Hannigan will be reimbursed for all out-of-pocket expenses necessarily incurred in the performance of his duties as a Non-Executive Chairman; and
- (j) a voting exclusion statement is included in the Notice for Resolution 4.

#### 6.6 Directors' Recommendation

The Directors (other than Mr Todd Hannigan) unanimously recommend that Shareholders vote in favour of Resolution 4.

# 7. Resolution 5 – Issue of Performance Rights to Director – Mr Alastair Smith

#### 7.1 General

Mr Alastair Smith was appointed Non-Executive Director of the Company on 11 January 2021. Resolution 5 seeks shareholder approval to issue Mr Smith (and/or his nominees) the following Performance Rights:

- (a) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue:
- (b) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue; and
- (c) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue.

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 10.11, for the grant of an aggregate of 450,000 Performance Rights to Mr Smith (and/or his nominees), as part of the long-term incentive component of his remuneration as Non-Executive Chairman of the Company.

In the Company's present circumstances, the Board considers that the grant of these Performance Rights to Mr Smith is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Smith and is consistent with the strategic goals and targets of the Company.

The Company has set performance criteria for the Performance Rights to ensure that they only vest upon achievement of fundamental milestones that will drive the long-term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr Smith (and/or his nominee) are summarised in Schedule 3.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

#### 7.2 Chapter 2E of Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly. The entitlement to be granted up to 450,000 Performance Rights under the Plan constitutes the giving of a financial benefit as Mr Smith is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of up to 450,000 Performance Rights to Mr Smith (and/or his nominee).

# 7.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Performance Rights to Mr Smith:

- (a) the financial benefits relating to the issue of the Performance Rights are being provided to Mr Smith (and/or his nominee) pursuant to Resolution 5;
- (b) Mr Smith is to be issued:
  - (i) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue;
  - (ii) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue; and
  - (iii) 150,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue:
- (c) Mr Smith has a material personal interest in the outcome of Resolution 5 and therefore believes it inappropriate to make a recommendation;
- (d) the value of the Performance Rights, provided the vesting conditions are satisfied, have an estimated value of A\$0.85 each, based on a Share price of A\$0.85 (being the closing price of a Share on 11 March 2021). As a result, the total value attributed to the Performance Rights to be issued to Mr Smith (and/or his nominee) would be approximately A\$382,500;
- (e) the current remuneration package of Mr Smith consists of a fixed remuneration component of A\$36,000 per annum plus compulsory superannuation;
- (f) the current security holdings of Mr Smith (and/or his nominees) is:
  - (i) 2,405,000 fully paid ordinary shares;
  - (ii) 625,000 unlisted options (each with an exercise price of \$0.20 and expiring 31 December 2023);
  - (iii) 350,000 unlisted options (each with an exercise price of \$0.20 and expiring 1 December 2025);
  - (iv) 1,260,000 unlisted Class A performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class A Milestone on or before 1 December 2024);
  - (v) 1,260,000 unlisted Class B performance shares (that convert into an equal number of fully paid ordinary shares upon the satisfaction of the Class B Milestone on or before 1 December 2025):
  - (vi) 280,000 unlisted Class A performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2024); and
  - (vii) 280,000 unlisted Class B performance options (each with an exercise price of \$0.20 and expiring 1 December 2025, that vest upon satisfaction of the Class A Milestone on or before 1 December 2025).
- (g) if all the Performance Rights subject to Resolution 5 are converted into Shares, a total of 450,000 Shares would be issued. This will increase the number of Shares on issue from 103,093,384 (being the total number of Shares on issue as at the date of this Notice) to 103,543,384 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.4%;
- (h) a voting exclusion statement is included in the Notice for the purposes of Resolution 5; and
- (i) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

# 7.4 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

The effect of passing Resolution 5 will be to allow the Company to issue an aggregate of 450,000 Performance Rights to Mr Smith (and/or his nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2 Exception 14.

If Resolution 5 is not passed, the Company will not issue the relevant Performance Rights to Mr Smith (and/or his nominees) and he may resign from the Board.

## 7.5 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) the 450,000 Performance Rights will be issued to Mr Smith, Non-Executive Director of the Company (and/or his nominees);
- (b) Mr Smith is a Director of the Company and thus a related party under Listing Rule 10.11.1;
- (c) the maximum number of Performance Rights that will be issued to Mr Smith pursuant to Resolution 5 is 450,000;
- (d) the material terms of the Performance Rights are as follows:
  - 150,000 Performance Rights vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$2.00 per share, expiring 5 years from date of issue;
  - (ii) 150,000 Performance Rights vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$3.00 per share, expiring 5 years from date of issue;
  - (iii) 150,000 Performance Rights vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$4.00 per share, expiring 5 years from date of issue; and
  - (iv) the Performance Rights are subject to the terms and conditions in Schedule 3;
- (e) the Company will grant the Performance Rights no later than 1 month after the date of the Meeting;
- (f) each Performance Right will be granted for nil consideration and no funds are being raised from the issue:
- (g) the purpose of the issue of the relevant Performance Rights to Mr Smith is to incentivise him to excel in the performance of his role for the Company;
- (h) the current remuneration package of Mr Smith consists of a fixed remuneration component of A\$36,000 per annum per annum plus compulsory superannuation;
- (i) the Performance Rights are not being issued under an agreement; and
- (j) a voting exclusion statement is included in the Notice for Resolution 5.

## 7.6 Directors' Recommendation

The Directors (other than Mr Alastair Smith) unanimously recommend that Shareholders vote in favour of Resolution 5.

# 8. Resolution 6 – Approval of Employee Equity Incentive Plan

#### 8.1 General

Resolution 6 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to adopt the Tao Commodities Limited Employee Equity Incentive Plan (the **Plan**) and to enable performance rights, options and Shares upon exercise or conversion of those performance rights and options to be issued under the Plan to eligible Directors, employees and contractors (**Incentive Securities**) to be exempted from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 6 is passed.

A summary of the Plan, to be adopted pursuant to Resolution 6, is set out in Schedule 2.

The Plan is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;

- (c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

Resolution 6 is an ordinary resolution.

## 8.2 Listing Rule 7.2, Exception 13

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as an option or performance right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 13, operates as one of the exceptions to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

# 8.3 Specific Information Required by Listing Rule 7.2, Exception 13

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

- (a) a summary of the material terms of the Plan is set out in Schedule 2 and forms part of the Notice;
- (b) as the Plan is being approved for the first time, no securities have been issued under the Plan previously;
- (c) the maximum number of securities that can be issued under the plan is 14,866,225 Incentive Securities, equivalent to 15% of the Company's issued share capital as at the date of this Notice; and
- (d) a voting exclusion statement is included in the Notice for Resolution 6.

#### 8.4 Directors' recommendations

The Directors recommend that Shareholders vote in favour of Resolution 6.

# **Schedule 1 - Definitions**

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

15% Placement Capacity has the meaning given to that term in Section 4.2.

A\$ means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the Auditor's report on the Financial Report.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

**Board** means the board of Directors of the Company.

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

## Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Tao Commodities Limited ACN 618 935 372.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Incentive Options means an option to acquire a Share with the terms and conditions detailed in Schedule 4.

Incentive Securities has the meaning given in Section 8.2.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Managing Director means the Managing Director.

**Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Performance Right** means a performance right which upon satisfaction of criteria and/or vesting conditions confers an entitlement to be provided with one Share with the terms and conditions detailed in Schedule 3.

Plan or Employee Equity Incentive Plan has the meaning given in Schedule 2.

**Proxy Form** means the proxy form attached to the Notice.

Prior Placement Shares has the meaning given to that term in Section 4.1.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution proposed pursuant to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**VWAP** means volume weighted average price.

# Schedule 2 - Summary of Employee Equity Incentive Plan

The terms of the Employee Equity Incentive Plan (**Plan**) are summarised below. A copy of the Plan can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Plan.

**Eligible Employees**: The eligible participants under the Plan are Executive Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options or Performance Rights under the Plan; or any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options or Performance Rights under the Plan. For the purposes of the Plan, "Employee" means an employee or other consultant or contractor of the Company, or any member of the Group.

In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Shares, Options or Performance Rights.

Limits on Entitlement: An Offer of Options or Performance Rights may only be made under the Plan if the number of Shares that may be acquired on exercise of the Options Performance Rights when aggregated with the number of Shares issuable if each outstanding Option and Performance Rights were exercised and the number of Shares issued pursuant to the Plan or any other Group employee incentive scheme during the previous 3 years does not exceed 15% of the total number of Shares on issue at the time of the proposed issue.

The maximum allocation and allocated pool may be increased by Board resolution, provided such an increase complies with the Listing Rules.

**Individual Limits**: The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

**Offer and Conditions**: An Offer must be set out in an Offer Letter delivered to an Eligible Employee. The Offer Letter may specify (as determined by the Board):

- (a) the number of Options or Performance Rights;
- (b) the conditions on the Offer (Offer Conditions);
- (c) the Grant Date;
- (d) the Fee (if any);
- (e) the Performance Criteria (if any);
- (f) the Vesting Conditions (if any);
- (g) the Exercise Price (if any);
- (h) the Exercise Period (if applicable);
- (i) the Performance Period (if applicable); and
- (j) the Expiry Date and Term (if applicable);

Consideration Payable: Options and Performance Rights will be issued for nil consideration.

**Cashless Exercise**: Under the Plan, a Participant may elect to pay the exercise price for each Option by setting off the total exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off.

Lapse of Options and Performance Rights: Subject to the Board's discretion, Options and Performance Rights shall automatically be cancelled for no consideration where:

- (a) the Participant ceases to hold employment or office with the Company or Group member (except where the Participant is a Good Leaver);
- (b) the Participant is determined to have engaged in Fraudulent or Dishonest Conduct (described below);
- (c) the applicable Performance Criteria and/or Vesting Conditions are not achieved by the relevant time;
- (d) the Board determines, in its reasonable opinion, that the applicable Performance Criteria and/or Vesting Conditions have not been met or cannot be met within the relevant time:
- (e) the Expiry Date has passed;
- (f) the Board determines that the Participant has brought the Group into disrepute or acted contrary to the interest of the Company or Group;
- (g) the Participant has elected to surrender the Performance Rights or Options; and
- (h) the Offer Letter provides for the cancellation of the Performance Rights or Options in any other circumstances.

**Good Leaver**: A Good Leaver is a Participant who ceases employment or office with the Company or a Group Member and is determined by the Board to be a Good Leaver. Where a Participant who holds Employee Incentives becomes a Good Leaver:

(a) all vested Options which have not been exercised will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Employee Incentives will lapse; and

(b) the Board may in its discretion permit unvested Employee Incentive held by the Good Leaver to vest, amend the vesting criteria applicable to the Employee Incentives (including Performance Criteria and/or Vesting Conditions or determine that the unvested Employee Incentives lapse.

**Bad Leaver**: Where a Participant who holds Employee Incentives becomes a Bad Leaver all vested and unvested Employee Incentives will lapse. Where a Participant who holds Employee Incentives becomes a Bad Leaver the Board may determine to exercise the right to buy back any Shares issued upon exercise of an Option or conversion of a Performance Rights.

A Bad Leaver is a Participant who, unless the Board determines otherwise, ceases employment or office with the Company or a Group member (which includes for any of the circumstances amount to Fraudulent or Dishonest Conduct (described below).

**Fraudulent or Dishonest Conduct**: Where, in the opinion of the Board, a Participant or former Participant (which may include a Good Leaver) has engaged in Fraudulent or Dishonest Conduct the Board may deem all Employee Incentives held by the Participant or former Participant to be automatically be forfeited. Fraudulent or Dishonest Conduct means a Participant or former Participant:

- (a) acts fraudulently or dishonestly;
- (b) wilfully breaches his or her duties to the Company or any member of the Group; or
- (c) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):
  - brought the Company, the Group, its business or reputation into disrepute; or
  - (ii) is contrary to the interest of the Company or the Group.
- (d) commits any material breach of the provisions of any employment contract entered into by the Participant with any member of the Group;
- (e) commits any material breach of any of the policies of the Group or procedures or any laws, rules or regulations applicable to the Company or Group;
- (f) is subject to allegations, has been accused of, charged with or convicted of fraudulent or dishonest conduct in the performance of the Participant's (or former Participant's) duties, which in the reasonable opinion of the relevant directors of the Group effects the Participant's suitability for employment with that member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of the Company or the Group;
- (g) is subject to allegations, has been accused of, charged with or convicted of any criminal offence which involves fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;
- (h) has committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
- (i) has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation; or
- (j) has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.
- (k) has wilfully or negligently failed to perform their duties under any employment contract entered into by the Participant with any member of the Group;
- (I) has engaged in a transaction which involves a conflict of interest to their employment with the Company resulting in the Participant or former Participant obtaining a personal benefit;
- (m) accepts a position to work with a competitor of the Company or Group;
- (n) acting in such a manner that could be seen as being inconsistent with the culture and values of the Company or the Group; or
- (o) any other act that the Board determines in its absolute discretion to constitute fraudulent or dishonest by the Participant or former Participant.

**Change of Control**: All granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest (regardless of whether any Performance Criteria or Vesting Conditions have been satisfied) and a Participant may exercise any or all of their Options (regardless of whether the Vesting Conditions have been satisfied) provided that no Option will be capable of exercise later than the Expiry Date, if any of the following change of control events occur:

- (a) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
  - (i) is announced;
  - (ii) has become unconditional; and
  - (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares;
- (c) any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means; or
- (d) the Company announces that a sale or transfer (in one transaction or a series of transaction) of the whole (or substantially the whole) of the undertaking and business of the Company has been completed.

**Holding Lock:** The Board may at any time request that the Company's share registry to impose a holding lock on any Employee Incentives issued pursuant to the Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach these Rules.

Contravention of Rules: The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached the Plan or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, placing a holding lock on Employee Incentives, signing any and all documents and doing all acts necessary to effect a Buy-Back, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

# Schedule 3 - Terms and Conditions of Performance Rights

# Offer of Performance Rights

1.1 Each Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Performance Right.

# Performance Criteria, Variation to Performance Criteria and Expiry Date

1.2 The Performance Criteria and Expiry Dates of each Performance Right is referred to in the table below.

Recipient	Performance Criteria	Expiry Date	Number of Performance Rights
Mr Anastasios Arima (and/or his nominees)	a) 30-day VWAP of at least A\$2.00 per share; and	5 years from date of issue	2,000,000
nominees)	b) 12 months of continuous service from the date of issue		
Mr Anastasios Arima (and/or his	a) 30-day VWAP of at least A\$3.00 per share; and	5 years from date of issue	2,000,000
nominees)	b) 12 months of continuous service from the date of issue		
Mr Anastasios Arima (and/or his nominees)	a) 30-day VWAP of at least A\$4.00 per share and	5 years from date of issue	2,000,000
nominees)	b) 12 months of continuous service from the date of issue		
Mr Alastair Smith (and/or his nominees)	a) 30-day VWAP of at least A\$2.00 per share and	5 years from date of issue	150,000
Hommeesy	b) 12 months of continuous service from the date of issue		
Mr Alastair Smith (and/or his nominees)	a) 30-day VWAP of at least A\$3.00 per share and	5 years from date of issue	150,000
Hommees)	b) 12 months of continuous service from the date of issue		
Mr Alastair Smith (and/or his nominees)	a) 30-day VWAP of at least A\$4.00 per share and	5 years from date of issue	150,000
noninees)	b) 12 months of continuous service from the date of issue		

1.3 Performance Rights will only vest and entitle the holder (**Holder**) to be issued Shares if the applicable Performance Criteria have been satisfied prior to the end of the Expiry Date (**Performance Period**), waived by the Board, or are deemed to have been satisfied under these Rules.

## **Satisfaction of Performance Criteria**

1.4 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Holder has satisfied the Performance Criteria and/or Vesting Conditions applicable to the Performance Rights at the end of the Performance Period. As soon as practicable after making that determination the Board must allot and issue, or transfer, the number of Shares for which the

Holder is entitled to acquire upon satisfaction of the Performance Criteria and/or Vesting Conditions for the relevant number of Performance Rights held in accordance with clause 1.6.

# **Lapse of Performance Rights**

1.5 Where Performance Rights have not satisfied the Performance Criteria within the Performance Period or Expiry Date (whichever occurs earlier) those Performance Rights will automatically lapse.

## Timing of the Issue of Shares and Quotation

- 1.6 The Company must within twenty (20) business days after the later of the following:
  - 1.6.1 the satisfaction of the Performance Criteria and/or Vesting Conditions (if any) applicable to the Performance Rights; and
  - 1.6.2 when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4,

# the Company will:

- 1.6.3 allot and issue the Shares pursuant to the vesting of the Performance Rights;
- 1.6.4 as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- 1.6.5 apply for official quotation on ASX of Shares issued pursuant to the vesting of the Performance Rights.
- 1.7 Notwithstanding clause 1.6 above, solely with respect to Holders who are not U.S. residents or to the extent such does not otherwise violate Code Section 409A, the Company's obligation to issue such Shares shall be postponed if such Holder at any time after the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4 elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
  - 1.7.1 the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);
  - 1.7.2 the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock;
  - 1.7.3 the Company shall release the holding lock on the Shares on the earlier to occur of:
    - 1.7.3.1 the date that is twelve (12) months from the date of issue of the Share; or
    - 1.7.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act: or
    - 1.7.3.3 the date a transfer of the Shares occurs pursuant to clause 1.7.4 of these terms and conditions; and
  - 1.7.4 Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in clause 1.7.3.1.

## **Shares Issued**

1.8 Shares issued on the satisfaction of the Performance Criteria and/or Vesting Conditions attaching to the Performance Rights rank equally with all existing Shares, including those Shares issued, directly, under the Plan.

# **Quotation of the Shares Issued on Exercise**

1.9 If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Performance Rights.

## Reorganisation

1.10 If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

## **Holder Rights**

- 1.11 A Holder who holds Performance Rights is not entitled to:
  - 1.11.1 notice of, or to vote or attend at, a meeting of the Shareholders; or
  - 1.11.2 receive any dividends declared by the Company,
  - 1.11.3 participate in any new issues of securities offered to Shareholders during the term of the Performance Rights, or
  - 1.11.4 cash for the Performance Rights or any right to participate in surplus assets of profits of the Company on winding up,
  - 1.11.5 unless and until the Performance Rights are satisfied and the Holder holds Shares.

#### **Pro Rata Issue of Securities**

- 1.12 If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested Performance Rights.
- 1.13 A Holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria and/or Vesting Conditions which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

## **Adjustment for Bonus Issue**

1.14 If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the Holder is then entitled, shall be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder were vested immediately prior to the record date for the bonus issue.

# **Change of Control**

- 1.15 For the purposes of these terms and conditions, a "Change of Control Event" occurs if:
  - 1.15.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
  - 1.15.2 a Takeover Bid:
    - 1.15.2.1 is announced;
    - 1.15.2.2 has become unconditional; and
    - 1.15.2.3 the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
  - 1.15.3 any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or
  - 1.15.4 the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- 1.16 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria or Vesting Conditions have been satisfied.

## Quotation

1.17 The Company will not seek official quotation of any Performance Rights.

# **Performance Rights Not Property**

1.18 A Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

# **No Transfer of Performance Rights**

1.19 Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Holder.

# Schedule 4 - Terms and Conditions of Incentive Options

#### **Entitlement**

1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share upon exercise.

# **Exercise Price and Expiry Date**

Number	Exercise Price per Option	Expiry Date	
875,000	A\$0.45 31 December 2023		
875,000	A\$0.55	31 December 2023	

#### **Exercise Period**

1.2 Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

#### Notice of exercise

1.3 The Options may be exercised by notice in writing to Tao Commodities Limited (the **Company**) and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

#### **Minimum Exercise**

1.4 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

#### Shares issued on exercise

1.5 Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

#### **Quotation of Shares**

1.6 If admitted to the official list of ASX at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

# Timing of issue of Shares and quotation of Shares on exercise

1.7 Within 15 Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, The Company will allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company.

#### Participation in new issues

- 1.8 A Holder who holds Options is not entitled to:
  - 1.8.1 notice of, or to vote or attend at, a meeting of the shareholders;
  - 1.8.2 receive any dividends declared by the Company; or
  - 1.8.3 participate in any new issues of securities offered to shareholders during the term of the Options.

unless and until the Options are exercised and the Holder holds Shares.

## Adjustment for bonus issues of Shares

- 1.9 If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
  - 1.9.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
  - 1.9.2 no change will be made to the Exercise Price.

## Adjustment for rights issue

1.10 If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

# Adjustment for reorganisation

1.11 If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be

varied to comply with the Listing Rules (if applicable) that apply to the reconstruction at the time of the reconstruction.

# **Quotation of Options**

1.12 The Company will not seek official quotation of any Options.

# Options not transferable

1.13 The Options are not transferrable.

# Lodgement requirements

1.14 Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.



Tao Commodities Ltd | ABN 84 618 935 372

# **Proxy Voting Form**

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 10.00am (WST) on Monday, 12 April 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

# **SUBMIT YOUR PROXY**

# Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

#### STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

## STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

## SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

## CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

# **Lodging your Proxy Voting Form:**

#### Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



### BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

# IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

## BY EMAIL:

meetings@automicgroup.com.au

#### BY FACSIMILE:

+61 2 8583 3040

## All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

**PHONE:** 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1- How to vote							
APPOINT A PROXY:  I/We being a Shareholder entitled to attend and vote at the General Meeting of Tao Commodities Ltd, to be Wednesday, 14 April 2021 at Level 27, Exchange Tower, 2 The Esplanade, Perth, Western Australia hereby:	held (	at <b>10.00a</b> r	ı (WST) on				
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.							
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.  Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.							
<b>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</b> Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/Chair to exercise my/our proxy on Resolutions 3 – 6 (except where I/we have indicated a different voting int Resolutions 3 – 6 are connected directly or indirectly with the remuneration of a member of the Key Man includes the Chair.	entior	below) e	ven though				
STEP 2 – Your voting direction							
	For	Against	Abstain				
1. Change of Company Name							
2. Ratify Issue of Prior Placement Shares							
3. Issue of Performance Rights to Director — Mr Anastasios Arima							
4. Issue of Incentive Options to Director – Mr Todd Hannigan							
5. Issue of Performance Rights to Director — Mr Alastair Smith							
6. Approval of Employee Equity Incentive Plan							
<b>Please note:</b> If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution poll and your votes will not be counted in computing the required majority on a poll.	on a sl	now of hand	s or on a				
STEP 3 – Signatures and contact details							
Individual or Securityholder 1 Securityholder 2 Securityholder 3							
Sole Director and Sole Company Secretary Contact Name:  Director  Director / Company Secret	tary		_				
Email Address:	I						

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

Date (DD/MM/YY)

Contact Daytime Telephone