

Target Market Determination – AUDF Stablecoin

Effective date: 21 January 2026 **Version:** 1.0

About this TMD

This Target Market Determination (TMD) is prepared to meet the design and distribution obligations in Part 7.8A of the Corporations Act 2001 (Cth). It describes potential clients for whom AUDF is likely consistent with their likely objectives, financial situation and needs; the distribution conditions; review periods and triggers; and required distributor reporting. This document is not a Product Disclosure Statement (PDS) and does not set out all terms of AUDF. For further product information please refer to the AUDF Website: www.forteaud.com

Issuer & Product

Issuer: Forte Securities Australia Pty Ltd (ACN 614 579 734), AFSL 492490

Product: AUDF: A financial product (non-cash payment (NCP) facility) intended to maintain 1:1 relationship (or “peg”) with the Australian dollar per token on Supported Blockchains¹.

Primary availability: AUDF is issued (“minted”) by the Issuer only to Eligible Clients via the Forte Account (operated by Forte Tech Solutions Pty Ltd, ACN 656 181 065, registered Digital Currency Exchange (DCE 100788879-001), “FTS”), subject to eligibility and compliance checks. Redemption (“burning”) is available only to Forte Account holders under the AUDF Terms of Use, available on the AUDF Website.

Forte Account is not a part of NCP facility and does not form part of the regulated financial product and is not covered by this TMD.

AUDF Stablecoin is available for distribution to both wholesale and retail clients who are Australian residents or are residents of other permitted jurisdictions. A ‘retail client’ is a term as defined under the Corporations Act. Clients who are not retail clients, are wholesale clients. If you are a retail client, you should refer to the relevant Product Disclosure Statement (PDS) before deciding whether to acquire or continue to use the AUDF Stablecoin. You can get a copy of the relevant PDS from AUDF Website. Forte encourages you to seek independent professional advice to ensure that AUDF is suitable for your financial situation and requirements, you should not base any decision to deal in AUDF solely on the contents of this TMD.

¹ As listed on the AUDF Website

Key Product Attributes

Par-value objective: designed to maintain peg ratio of 1 AUDF:1 AUD (Intended Peg Ratio, not guaranteed).

Holder rights: contractual right to redeem 1 AUDF for 1 AUD, subject to the AUDF Terms of Use (for Forte Account Holders, subject to eligibility and applicable compliance checks); no trust or proprietary interest in reserves; unsecured in Issuer insolvency.

No yield: AUDF holders have no interest, distributions, voting or governance rights.

Technology: ERC-20 and other Supported Blockchains; on-chain transferability; blockchain fees may apply.

Reserve objective: Issuer intends (but does not guarantee) to maintain AUD-denominated reserves to match or exceed AUDF on issue (please refer to PDS and AUDF Terms of Use).

Target Market – likely objectives, financial situation and needs

AUDF is likely to be consistent with the likely objectives, financial situation and needs of retail clients who:

- seek to hold or transfer AUD-denominated value *on-chain* for payments, settlement or transfers of value, or storage of value;
- do **not** seek income, yield or capital growth from the product;
- have sufficient technical competence and knowledge of blockchain (distributed ledger) technology, have their own crypto (digital) wallets, internet access and the ability to bear network/exchange fees;
- have an email address, Australian bank account and mobile number ; and
- accept that rights are contractual only; there is trust or proprietary interest over reserves and they are unsecured in case of the Issuer insolvency.

Negative Target Market

AUDF is not designed for persons who:

- are individuals under 18 years of age; or
- require deposit-like protections (e.g., ePayments Code coverage) or deposit insurance; or
- expect interest, yield participation, voting or governance rights; or
- cannot operate or secure a compatible crypto (digital) wallet on one of the Supported Blockchain, or require custodial wallet services from the Issuer; or
- are located in prohibited/sanctioned jurisdictions, or cannot satisfy applicable AML/CTF checks; or
- require use on chains **not** supported by AUDF.

Consistency with Target Market

Having regard to AUDF's key attributes as described above, Forte considers AUDF likely to be consistent with the needs of the Target Market. Clients outside that profile are unlikely to find the product appropriate.

Distribution Conditions & Reasonable Steps

Following conditions – supported by appropriate design and distribution controls – make it reasonably likely that AUDF is distributed to clients within the Target Market. Forte will monitor distribution and address any trends or significant dealings outside it.

- **Distribution by Forte:**

AUDF can be distributed via Forte Account to Forte Account Holders. Forte Account can be opened for person upon passing applicable onboarding procedures. Forte and FTS undertake reasonable steps to ensure that Forte Account is open to clients who are in the Target Market

- **Distribution by Third Parties**

AUDF may be available for distribution from third party distributors (such as digital currency exchanges) acting under a written distribution agreement with the Issuer. Such distributors are required to resale AUDF in accordance with this TMD and to report to the Issuer any significant dealings outside this TMD. Where no distribution agreement exists, Forte's ability to influence a reseller is limited; you should conduct your own due diligence and consider this TMD before buying AUDF from a non-Forte distributor.

- **Restricted Channels:**

No distribution or offer nor active marketing in any jurisdiction out of Australia where it would be illegal to make such offers or where such offers are not permitted. No distribution or offer to persons located in prohibited/sanctioned jurisdictions.

- **Technology Enforcement:**

AUDF transfers may be restricted (e.g., deny-listing, unsupported forks, bridges, wrapped or otherwise emulated tokens) to uphold sanctions and distribution controls.

Distributor Reporting Requirements

Distributors to retail must provide to Forte:

- Complaints data: number and nature of complaints about AUDF –quarterly. Forte may review the frequency of reporting if quarterly basis becomes unreasonable.
- Significant dealing outside this TMD: as soon as practicable and within 10 Business Days of becoming aware;

Forte will keep records of decisions relating to this TMD and related reviews for a period as defined by the Corporations Act

Review Periods & Triggers

This TMD should be reviewed from time to time to ensure AUDF is appropriate for the Target Market. Upon review Forte will decide if the Target Market remains appropriate; distribution conditions are effective; product attributes should be changed or distribution should be changed, limited or ceased.

- Initial review: within 12 months of the Effective Date.
- Ongoing review: within 12 months of the last review.
- On trigger review: as soon as practicable, in any event within 10 Business Days after Forte is aware of any of the following event:
 - material change in law/regulatory guidance (including ASIC instruments or Regulatory Guidance impacting stablecoins or regulated sales);
 - material change in economic or market conditions
 - significant dealing outside this TMD; materially increased complaints suggesting the Product is appropriate for the Target Market; evidence of concerning use by negative-market clients;
 - material technology, cyber security or data protection incident;
 - material change to AUDF features or Terms of use, supported blockchains, redemption eligibility or fees;
- sustained deviation from intended 1:1 value.