

ASX ANNOUNCEMENT

19 October 2022

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 4, North Tower, Rialto
525 Collins Street, Melbourne VIC 3000

Notice of 2022 Annual General Meeting

Please find attached for immediate release in relation to Tesseract Limited (ASX: TNT) the following documents:

- Notice of 2022 Annual General Meeting; and
- Proxy Form

For more information, please contact Paul Taylor, General Counsel & Company Secretary, at (03) 9880 5555 or investor@tesseract.com.

Authorised for release by the Board of Tesseract Limited.

About Tesseract

Our mission is to be the sovereign cybersecurity provider of choice for the protection of Australia and New Zealand's digital assets. Tesseract provides full service, enterprise-grade cybersecurity and networking solutions targeted at enterprise and government customers across Australia and New Zealand. The Company's Cyber 360 strategy delivers integrated solutions covering identification, protection and 24/7 monitoring against cybersecurity threats.

Learn more at www.tesseract.com

19 October 2022

Dear Shareholders,

Tesseract Limited AGM

The Notice of AGM of Tesseract Limited (**Tesseract** or **the Company**) to be held at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008 and by webcast on 18 November 2022 at 11.00 am Melbourne time is now available at <https://investors.tesseract.com/site/investor-information/generalmeetings>.

1. If you wish to attend the AGM, either in person or via the webcast, you must register at <https://go.tesseract.com/tnt-agm-2022> at least 24 hours prior to the meeting.
2. We will provide an opportunity to ask questions and comment at the meeting however there may be connectivity and other issues during the video conference. Therefore, we recommend that any questions concerning the business of the meeting are submitted to investor@tesseract.com in advance of the meeting.
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.
4. Due to the hybrid nature of the Meeting, Computershare, the Company's share registry, will be facilitating the webcast and voting during the Meeting. If you wish to attend and cast your vote during the Meeting, you will need to visit <https://meetnow.global/MNAPSF7> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at www.computershare.com.au/onlinevotingguide.

Shareholders are strongly encouraged to lodge a proxy form to vote at the AGM at least 48 hours before the meeting.



Yours sincerely

Paul Taylor

Company Secretary & General Counsel

TESSERENT LIMITED

ABN 13 605 672 928

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the members of Tesseract Limited (**Tesseract** or **Company**) will be held at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008 and by webcast on 18 November 2022 at 11.00 am Melbourne time (**Meeting**).

BUSINESS

FINANCIAL REPORT

To receive and consider the Annual Financial Statements, the Directors' Report and Audit Report of the Company and its Controlled Entities for the financial period ended 30 June 2022.

The above documents are contained in the Annual Report. Shareholders who have elected to receive an electronic copy of the Annual Report can download a copy at www.tesseract.com/tesseractannualreport. Shareholders who have elected to receive a hard copy of the Annual Report will receive one with this Notice of Meeting.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following non-binding resolution:

That the Remuneration Report contained in the Directors' Report for the financial period ended 30 June 2022 be adopted.

Short Explanation

The Corporations Act requires listed companies to put to Shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the 2022 Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting. As stated, Resolution 1 is non-binding.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of: (a) a Key Management Personnel (**KMP**) named in the Remuneration Report; or (b) a Closely Related Party of a KMP, whether the votes are cast as a Shareholder, proxy or in any other capacity. However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is not cast on behalf of a KMP or a Closely Related Party of a KMP and is cast by:

- a person as a proxy appointed in writing that specifies the way the proxy is to vote on the resolution; or
- by the Chair of the meeting as undirected proxy and the Chair has received express authority to exercise the proxy as the Chair sees fit even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

If the proxy is the Chair, and the proxy does not specify the way in which the proxy should vote, the Chair intends to vote in favour of the resolution.

Important for Resolution 1

If you are KMP or a Closely Related Party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

RESOLUTION 2 - RETIREMENT OF DIRECTORS BY OPERATION OF THE CONSTITUTION AND RE-ELECTION

2.1 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, Geoff Lord, an executive director who retires by rotation in accordance with rule 20.10 of the Constitution of the Company, and being eligible, offers himself for re-election, be elected as a Director of the Company.

Short Explanation

The Company's Constitution requires one third of directors (other than the first appointed Managing Director) to retire at each AGM. Biographical details for Mr Lord are set out in the Explanatory Statement.

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Shares equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.

Short Explanation

ASX Listing Rule 7.1A provides that a listed entity such as the Company may seek shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital over a period up to 12 months after its Annual General Meeting. This is in addition to the 15% permitted by ASX Listing Rule 7.1. That approval is the purpose of Resolution 3.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 in favour of the resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares) or any of their associates.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES OF SECURITIES

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

That for the purposes of ASX Listing Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company under ASX Listing Rule 7.1 of the Shares to the recipients set out in the Explanatory Statement.

Short Explanation

The Company issued Shares to investors before the Meeting, as detailed in the Explanatory Statement. ASX Listing Rule 7.4 provides that a company may in general meeting by shareholder approval ratify a previous issue of securities (provided that the previous issue did not breach ASX Listing Rule 7.1) and those securities will then be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. That approval is the purpose of Resolution 4.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Securities issues or a counterparty to an agreement under which securities were issued, or any associates of those persons.

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

- 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
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL OF AMENDED EMPLOYEE SHARE OPTION PLAN AND ISSUE OPTIONS UNDER THE AMENDED EMPLOYEE SHARE OPTION PLAN

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

That, for the purposes of ASX Listing Rule 7.1, 7.1A and 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to issue securities at the discretion of the Board in accordance with the provisions of the Employee Share Option Plan, as amended by the Proposed Amendments, and on the terms and conditions set out in the Explanatory Statement.

Short explanation

The Board adopted an Employee Share Option Plan (**ESOP**) on 12 October 2018 and received shareholder approval at 19 November 2021 AGM to assist in the reward, retention and motivation of employees. The Company is seeking to "renew" the approval of the ESOP, subject to the Proposed Amendments described in the Explanatory Statement. ASX Listing Rule 7.1 requires approval from shareholders for issues of securities in

excess of 15% of the issued capital. There are a number of exceptions to this set out in ASX Listing Rule 7.2, including Exception 13, which allows the issue of securities to an employee incentive plan such as the ESOP, provided that shareholders have approved the issue of securities within the last three years. That approval is the purpose of Resolution 5.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of any person who is eligible to participate in the ESOP or any of their associates; and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 5 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTOR – MEGAN HAAS

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Options to Megan Haas or her nominee, as referred to in the Explanatory Statement, is approved.

Short Explanation

The Company proposes to issue Options to Ms Megan Haas as part of her remuneration package. Ms Haas is a related party of the Company and therefore the issue of the Options requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 6 will be to allow the Company to issue the Options to Ms Haas without using the Company's 15% annual placement capacity.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of a director who is to receive the Options pursuant to the resolution and any other person who will receive a material benefit as a result of the issue of the Options (except a benefit solely by reason of being a holder of fully paid ordinary securities of Tesseract or any of their associates); and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 6 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTOR – GREG BAXTER

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Options to Greg Baxter or his nominee, as referred to in the Explanatory Statement, is approved.

Short Explanation

The Company proposes to issue Options to Mr Greg Baxter as part of his remuneration package. Mr Baxter is a related party of the Company and therefore the issue of the Options requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 8 will be to allow the Company to issue the Options to Mr Baxter without using the Company's 15% annual placement capacity.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of a director who is to receive the Options pursuant to the resolution and any other person who will receive a material benefit as a result of the issue of the Options (except a benefit solely by reason of being a holder of fully paid ordinary securities of Tesserent or any of their associates); and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 7 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8 – ISSUE OF OPTIONS TO EXECUTIVE DIRECTOR – GEOFF LORD

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue of Options to Geoff Lord or his nominee, as referred to in the Explanatory Statement, is approved.

Short Explanation

The Company proposes to issue Options to Mr Geoff Lord as part of his remuneration package. Mr Lord is a related party and a substantial holder of the Company and therefore the issue of the Options requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 8 will be to allow the Company to issue the Options to Mr Lord without using the Company's 15% annual placement capacity.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of a director who is to receive the Options pursuant to the resolution and any other person who will receive a material benefit as a result of the issue of the Options (except a benefit solely by reason of being a holder of fully paid ordinary securities of Tesserent or any of their associates; and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 8 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9 – APPROVAL OF SENIOR MANAGEMENT SHARE OPTION PLAN AND ISSUE OPTIONS UNDER THE SENIOR MANAGEMENT SHARE OPTION PLAN

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

*That, for the purposes of ASX Listing Rule 7.1, 7.1A and 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to issue securities at the discretion of the Board in accordance with the provisions of the Senior Management Share Option Plan (**SMSOP**) on the terms and conditions set out in the Explanatory Statement.*

Short explanation

The Company is seeking to approval of the SMSOP. ASX Listing Rule 7.1 requires approval from shareholders for issues of securities in excess of 15% of the issued capital. There are a number of exceptions to this set out in ASX Listing Rule 7.2, including Exception 13, which allows the issue of securities to an employee incentive plan such as the SMSOP, provided that shareholders have approved the issue of securities within the last three years. That approval is the purpose of Resolution 9.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of any person who is eligible to participate in the SMSOP or any of their associates; and
- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 9 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 10 – APPROVAL OF GRANT OF OPTIONS TO CEO AND MANAGING DIRECTOR

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

That for the purposes of ASX Listing Rule 10.11, sections 200C and 200E of the Corporations Act, and for all other purposes, the issue of Options to Kurt Hansen, Chief Executive Officer and Managing Director of the Company or his nominee, as referred to in the Explanatory Statement, is approved.

Short Explanation

The Company proposes to issue Options to Mr Kurt Hansen, Chief Executive Officer and Managing Director of the Company as part of his remuneration package. Mr Hansen is a related party of the Company and therefore the issue of the Options requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 10 will be to allow the Company to issue the Options to Mr Hansen without using the Company's 15% annual placement capacity.

Voting Exclusion Statement

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- in favour of the resolution by or on behalf of a Director who is to receive the Options pursuant to the resolution and any other person who will receive a material benefit as a result of the issue of

the Options (except a benefit solely by reason of being a holder of fully paid ordinary securities of Tesserent or any of their associates); and

- as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy or attorney for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 7 relates to the remuneration of a member of the KMP); or
- 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 11 – RE-INSERTION OF PROPORTIONAL TAKEOVER PROVISIONS

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

That the Company's Constitution be amended by reinserting clause 13 and any related definitions in the form set out in the Explanatory Statement.

Short explanation

Clause 13 of the Company's Constitution contains provisions which deal with proportional takeover bids for shares in the Company.

A proportional takeover bid is an off-market takeover offer to buy only a specified proportion of each shareholder's shares in the bid class. The provisions in clause 13 are designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company by prohibiting registration of transfers of shares acquired under the takeover bid unless shareholders pass a resolution approving the bid or a resolution is taken to have been passed. Incorporated under section 648G of the Corporations Act (and clause 13 of the Constitution), the proportional takeover provisions must be renewed every 3 years or they will cease to have effect. Resolution 11 is seeking this approval.

Voting Exclusion Statement

There is no voting exclusion statement for this resolution.

RESOLUTION 12 – MODIFICATION OF EXISTING CONSTITUTION

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

That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chairman for the purposes of identification, with effect from the date this resolution is passed.

Short explanation

Resolution 12 seeks the approval of Shareholders to modify the Company's existing Constitution to incorporate the new regime for the making of offers in connection with employee share schemes under Part 7.12 of the Corporations Act which came into effect on 1 October 2022 by providing the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the Company's employee share scheme/s.

Voting Exclusion Statement

In accordance with the Corporations Act, the Company will disregard any votes cast as a proxy by a member of the KMP at the date of the Meeting or their Closely Related Parties.

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

- a person as proxy for a person 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
- the Chair of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides (even though Resolution 12 relates to the remuneration of a member of the KMP).

EXPLANATORY STATEMENT

An Explanatory Statement in respect of the resolutions set out above which sets out additional information regarding those resolutions is enclosed with this Notice of Meeting. Expressions defined in the Explanatory Statement have the same meaning when used in this Notice of Meeting.

By Order of the Board


Paul Taylor
Company Secretary & General Counsel

19 October 2022

VOTING ENTITLEMENTS

In accordance with section 1074E(2)(g) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), persons holding shares at 7.00 pm (Melbourne time) on 16 November 2022 will be treated as Shareholders. This means that if you are not the registered holder of a relevant Share at that time you will not be entitled to attend and vote in respect of that Share at the meeting.

PROXIES

A Shareholder who is entitled to attend and vote at the General Meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder. A Proxy Form is included with this Notice. If you require an additional Proxy Form, please contact Computershare Investor Services Pty Limited.

If a Shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded. The Proxy Form must be signed by the Shareholder or their duly appointed attorney, or in the case of a body corporate, executed in accordance with the corporation's constitution, or signed by a duly authorised officer or attorney. A proxy need not be a Shareholder of the Company.

To be effective, the Company must receive the completed Proxy Form signed by the Shareholder and, if the form is signed by the Shareholder's attorney or authorised officer of a corporation, the authority under which the Proxy Form is signed (or a certified copy of the authority) by no later than 11.00 am (Melbourne time) on 16 November 2022, by post or fax to the Company's share registrar, Computershare Investor Services Pty Limited, as listed below.

BY MAIL:	BY FAX:	BY EMAIL
Tesseract Limited C/- Computershare Investor Services Pty Limited GPO Box 242, Melbourne, Victoria, 3001, Australia	Tesseract Limited C/- Computershare Investor Services Pty Limited Fax 1800 783 447	www.investorvote.com.au for Intermediary online subscribers only (custodians) - electronically at www.intermediaryonline.com

BODY CORPORATE REPRESENTATIVES

- A corporation, by resolution of its directors, may authorise a person to act as its representative to vote at the meeting.
- A representative appointed by a corporation may be entitled to execute the same powers on behalf of the corporation as the corporation could exercise if it were an individual shareholder of the Company.
- To evidence the authorisation, either a certificate of body corporate representative executed by the corporation or under the hand of its attorney or an equivalent document evidencing the appointment will be required.
- The certificate or equivalent document must be produced prior to the meeting.

VOTING BY PROXIES

Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit. If a proxy abstains from voting and the directions on the proxy require

that person to vote, the votes not exercised by the proxy will be given to the Chair to vote in accordance with the directions on the Proxy Form.

Subject to the statement below, if a Shareholder appoints the Chair of the Annual General Meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of that item on a poll.

Please read the directions on the Proxy Form carefully, especially if you intend to appoint the Chair of the General Meeting as your proxy.

UNDIRECTED PROXIES

The Chair will vote undirected proxies in favour of all resolutions on the agenda for the Annual General Meeting. The Company recommends that Shareholders who submit proxies should consider giving 'how to vote' directions to their proxyholder on each resolution.

If you complete a proxy form that authorises the Chair to vote on your behalf as proxyholder, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, you will be expressly authorising the chair to exercise your proxy in accordance with the Chairman's stated voting intention on all resolutions even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish to appoint the Chair as your proxyholder but you do not want to put him in the position to cast your votes in accordance with the Chair's stated voting intention, you can direct the Chair by completing the appropriate box on the Proxy Form, to vote against or abstain from voting on the resolutions.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the resolutions proposed to be considered at the Annual General Meeting. This Explanatory Statement forms part of the Notice of Meeting which it accompanies and should be read in conjunction with it.

FINANCIAL STATEMENTS AND REPORT

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial period ended 30 June 2022.

Shareholders who have elected not to receive a hard copy of the Company's 2022 Annual Report can view or download a copy from the Company's website at www.tesseract.com.au. The Company's auditors will be present at the meeting and be available to answer questions as to the conduct of the audit and the auditor's report. There is no requirement for the Financial Statements and these Reports to be formally approved by Shareholders.

1 RESOLUTION 1 - REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, listed entities are required to put to Shareholders at their Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

As stated the resolution is non-binding however if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then there are the following consequences:

- if comments are made on the report at the Meeting, the Company's remuneration report for the financial year ending 30 June 2023 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if at least 25% of the votes cast (excluding KMP and their Closely Related Parties) on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a Spill Resolution.

A Spill Resolution is a resolution that a separate meeting be called where all Directors other than the Managing Director retire and can be re-elected.

Recommendation

The Directors recommend that all Shareholders vote in favour of the adoption of the Remuneration Report.

Voting Exclusion

A voting exclusion statement is included in the Notice.

2 RESOLUTION 2 - RETIREMENT OF DIRECTOR BY OPERATION OF THE CONSTITUTION AND RE-ELECTION

The Company's Constitution requires one third of the directors (other than the first appointed Managing Director) to retire at each Annual General Meeting.

Mr Geoff Lord, who is the Executive Chair, retires under this rule and is eligible for re-election.

Mr Lord is the Founder and CEO of the Belgravia Group, a privately held investment group which since being established in 1990 has grown to employ more than 10,000 people in businesses spanning sports and sports technologies, fitness, leisure, sports camps, clothing and more.

In addition, Mr Lord is the former Founder and Chairman of UXC Limited, one of Australia's largest IT services businesses. After being founded in 2002 as a \$5m business, UXC grew under Mr Lord's leadership to be acquired in 2016 by NYSE-listed Computer Sciences Corporation (now DXC Technology) in a deal valued at A\$427.6m.

Other board positions held by Mr Lord include Director of Melbourne Business School, Chairman of Salvest and the former founding Director of SME finance business Judo Bank. He has also shown a significant passion for sports and clubs, having served as Chairman of Hawthorn Football Club and Melbourne Victory. Mr Lord is a Life Member of both clubs.

Mr Lord's formal qualifications include an MBA (Distinction) (Melbourne), BEc (Hons) (Monash), FIDA, ASIA. Mr Lord is the largest shareholder in Tesseract.

Recommendation

Having received an acknowledgement from Mr Lord that he has sufficient time available to carry out the duties of a Director of the Company and having reviewed the performance of Mr Lord as a Director, and the required mix of skills and experience required by the Board, the Directors (excluding Mr Lord) recommend that all Shareholders vote in favour of this resolution.

3 RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

3.1 General

1. ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).
2. The Company is an Eligible Entity.
3. If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 3.2 below).
4. The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue on the date of issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1, being a total of 25% of the Company's fully paid ordinary securities on issue, less that part of its placement capacity not available under Listing Rule 7.1.
5. If Resolution 3 is not passed, the Company will not be able to access the additional 10% placement capacity in Listing Rule 7.1A and will be limited to its placement capacity under Listing Rule 7.1 without first obtaining shareholder approval.
6. Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: TNT).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue at the commencement of the relevant period:

- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- plus the number of Shares issued in the relevant period on conversion of convertible securities within Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
- plus the number of Shares issued in the relevant period under an agreement to issue securities within Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or take under these rules to have been approved, under Rule 7.1 or 7.4;
- plus the number of Shares issued in the relevant period with approval of holders of Shares under rules 7.1 or 7.4;
- plus the number of partly paid shares that became fully paid in relevant period; and
- less the number of Shares cancelled in relevant period.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under Listing Rule 7.4.

Relevant period means the 12 month period immediately preceding the date of the issue or agreement.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

3.3.1 *Minimum Price*

Any Equity Securities issued under Rule 7.1A.2 must be in an existing quoted class of the eligible entity's quoted securities and issued for a cash consideration per security which is not less than 75% of the volume

weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed by the entity and recipient of the Equity Securities; or
- if the Equity Securities are not issued within 10 ASX trading days of the date in the above bullet point, the date on which the Equity Securities are issued.

3.3.2 *Date of Issue*

An approval under this Rule 7.1A commences on the date of the AGM at which the approval is obtained and expires on the first to occur of the following:

- the date that is 12 months after the date of the AGM;
- the time and date of the entity's next AGM;
- the time and date of approval by holders of Shares of any transaction under Listing Rules 11.1.2 or 11.2.

(10% Placement Capacity Period).

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature and scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

3.3.3 *Risk of voting dilution*

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 13 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.055 50% decrease in Issue Price	\$0.11 Issue Price	\$0.165 50% increase in Issue Price
1,309,021,978 (Current)	10% Voting Dilution	130,902,198	130,902,198	130,902,198
	Funds raised	\$7,199,621	\$14,399,242	\$21,598,863
1,963,532,967 (50% increase)	10% Voting Dilution	196,353,297	196,353,297	196,353,297
	Funds raised	\$10,799,431	\$21,598,863	\$32,398,294

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.055 50% decrease in Issue Price	\$0.11 Issue Price	\$0.165 50% increase in Issue Price
2,618,043,956 (100% increase)	10% Voting Dilution	261,804,396	261,804,396	261,804,396
	Funds raised	\$14,399,242	\$28,798,484	\$43,197,725

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), or that are issued as a result of the exercise of unlisted options.

The table above uses the following assumptions:

- There were 1,309,021,978 Shares on issue as at 13 October 2022.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The issue price set out above is the price of the Shares on the ASX on 30 September 2022 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to the market that the securities may be placed at.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity being 10% of the Company's issued capital on the date of issue.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.

The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

3.3.4 Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised as cash consideration for acquisitions of new assets and investments (including expenses associated with such acquisitions), and general working capital of the Company.

3.3.5 Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

At this point in time no decision has been made concerning use of the 10% placement capacity during the relevant period, including the number of Equity Securities it may issue and when this may occur.

Therefore the allottees of the Equity Securities that may be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

3.3.6 Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under Listing Rule 7.1A at the 2021, 2019 and 2018 Annual General Meetings.

During the 12 months prior to the date of this meeting, the Company did not issue any equity securities under Listing Rule 7.1A.2.

3.3.7 Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will

- state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- give to ASX immediately after the issue a list of names of the persons to whom the entity issued the Equity Securities and the number of Equity Securities issued to each.

3.3.8 Voting Exclusion

A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

3.4 Recommendation

The Directors recommend that all Shareholders vote in favour of this resolution.

4 RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES OF SECURITIES

4.1 General

The Company has issued a number of Shares to various parties without Shareholder approval during the last 12 months. Table 1 of Schedule 1 shows securities issued under Listing Rule 7.1.

The Board is allowed to issue or agree to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1.

Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of ASX Listing Rule 7.1, and, if given, the effect of the ratification is to deem that the

securities issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

If shareholder approval is not given, the Equity Securities set out in Table 1 of Schedule 1 will count in calculating the Company's 15% limit, thereby decreasing the number of Equity Securities it can issue in the 12 months following the issue dates.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to, and in accordance with, ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- 4.2.1. The number of securities issued is set out in Schedule 1 Table 1;
- 4.2.2. the issue price of the Securities was as set out in Schedule 1 Table 1;
- 4.2.3. the terms of the Securities were as set out in Schedule 1 Table 1;
- 4.2.4. the names of the persons to whom the Company issued the Securities were as set out in Schedule 1 Table 1;
- 4.2.5. the funds raised from the issue of the Securities were used for the purposes set out in Schedule 1 Table 1.

5 RESOLUTION 5 - APPROVAL OF EMPLOYEE SHARE OPTION PLAN AND ISSUE OPTIONS UNDER THE EMPLOYEE SHARE OPTION PLAN

5.1 Background

The Board adopted an Employee Share Option Plan (**ESOP**) on 12 October 2018 and received shareholder approval for the purposes of Listing Rules 7.1, 7.1A and 7.2 at 19 November 2021 AGM to assist in the reward, retention and motivation of employees.

The Board has since approved amendments to the ESOP to modernise the Rules consistent with market practice and new legislation, namely:

- to allow the Board to make a determination that some or all of a participant's Options vest if the Company becomes, or in the opinion of the Board is likely to become, subject to a change of control event;
- to link the issue cap under the ESOP to the issue cap prescribed by the new Division 1A of Part 7.12 of the Corporations Act that came into effect on 1 October 2022 (**ESS Issue Cap**), which is currently 5% of the Company's issued capital (as may be modified by any regulations or the Company's Constitution). The proposed increase to the ESS Issue Cap is subject to a separate Resolution 12 set out below; and
- to allow the Company to impose disposal restrictions on Shares issued on the exercise of Options,

(Proposed Amendments).

The Board considers the Proposed Amendments to be appropriate and consistent with maintaining the alignment between the ESOP incentivisation and long-term Shareholder interests. It is proposed that the Proposed Amendments will apply to all future issues of Options under the ESOP.

Given the nature of the Proposed Amendments, the Company is seeking to "renew" the approval of the ESOP (as amended by the Proposed Amendments) and the Company's ability

to issue Options as an exception to Listing Rule 7.1, for a period of a further 3 years from the date on which Resolution 5 is passed.

ASX Listing Rule 7.1 requires approval from shareholders for issues of securities in excess of 15% of the issued capital. There are a number of exceptions to this set out in ASX Listing Rule 7.2, including Exception 13, which allows the issue of securities to an employee incentive plan such as the ESOP, provided that shareholders have approved the issue of securities within the last three years. That approval is the purpose of Resolution 5.

The key terms and provisions of the ESOP (as amended by the Proposed Amendments) are set out in Schedule 2. A copy of the rules of the ESOP will be provided to any Shareholder who requests a copy by emailing investor@tesseract.com.

The employees of the Company have been, and will continue to be, instrumental in growth of the Company. The Board considers that the ESOP is an appropriate method to reward employees for their performance, to provide long term incentives for participation in the Company's future growth and motivate and generate loyalty from employees.

5.2 Exception to ASX Listing Rules 7.1 and 7.1A

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 months period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing 7.1A requires special shareholder approval for a further issue of equity securities if, over a rolling 12 months period, the amount of equity securities issued is more than 10% of the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.2 Exception 13 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 and the further 10% limit under Listing Rule 7.1A if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than 3 years before the date of issue. The ESOP is regarded as an employee incentive scheme for the purpose of Listing Rule 7.2.

The Company intends that the issue of securities under the ESOP not be included when undertaking the calculations pursuant to Listing Rules 7.1 and 7.1A. Accordingly, it is seeking shareholder approval in order for the Company to be able to continue to issue securities pursuant to the ESOP and have those options qualify under Exception 13 of Listing Rule 7.2.

If Shareholder approval in accordance with Listing Rule 7.2, Exception 13(b) is not granted, grants of Options under the ESOP may still be made but must be counted towards the 15% limit on the Company's capacity to issue new securities without Shareholder approval under ASX Listing Rule 7.1.

Under section 208 of the Corporations Act and ASX Listing Rules 10.11 and 10.14, any specific issue of securities to a director (and/or its associate) or other relevant persons under an employee incentive scheme will need additional shareholder approval. The Company will seek such additional approval before issuing any securities under the ESOP where required.

5.3 Technical information required by ASX Listing Rule 7.2

Pursuant to, and in accordance with, ASX Listing Rule 7.2 Exception 13(b), the following information is provided in relation to Resolution 5:

- 5.3.1. a summary of the key terms of the ESOP (as amended by the Proposed Amendments) is set out in Schedule 2;

- 5.3.2. the number of securities issued under the ESOP since last approved under Listing Rule 7.2 in 2021 is 7,677,264;
- 5.3.3. the maximum number of Equity Securities proposed to be issued under the ESOP following the Shareholder approval is 109,677,264 securities in total, which comprises approximately 8.38% of the Company's issued Shares; and
- 5.3.4. a voting exclusion statement is included in the Notice of Meeting.

5.4 Recommendation

The Directors recommend that all Shareholders vote in favour of this resolution.

6 RESOLUTION 6 – ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTOR – MEGAN HAAS

6.1 General & Background

The Company proposes, subject to obtaining shareholder approval, to issue a total of 2,000,000 Options to its non-executive director, Megan Haas, on the terms set out in this Notice & Explanatory Statement.

Ms Haas was appointed as a Director of the Company in January 2021. Directors have previously been issued Options as part of their remuneration package.

This resolution seeks to Shareholder approval to issue the Options to Ms Haas as part of her remuneration package. The exercise price and vesting conditions of the Options have been adjusted to reflect the current Share price and date.

The objective of the issue of the Options and of this Resolution is to provide Ms Haas with a mechanism to participate in the development of the Company and a long-term incentive for her involvement with, and commitment to, the Company.

6.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), an entity must not issue or agree to issue equity securities to any of the following persons without the approval of the holders of its ordinary securities:

- related party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- an associate of a person referred to in rules 10.11.1 to 10.11.3; or
- a person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.

As Resolution 6 involves the issue of Options to a related party, by virtue of Ms Haas being a Director of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Options to Ms Haas:

- the Options are proposed to be issued to Ms Megan Haas, Non-Executive Director (or her nominee/s), who falls within the category set out in Listing Rule 10.11.1, being a related party by virtue of being a Director;
- the Options enable Ms Haas to subscribe for 1 Share upon exercise of each Option and are proposed to be issued on the following terms:

Maximum number	Exercise Price	Vesting Date	Expiry Date
2,000,000	\$0.15	18 November 2024	18 November 2026

- the Options will be issued within 1 month of the date of the Meeting;
- no funds will be raised from the issue as the Options are being issued for nil cash consideration;
- the current total remuneration package for Ms Haas (since 1 July 2022) is \$50,000 (inclusive superannuation) per annum;
- the Options are not being issued under an agreement;
- a voting exclusion statement is included in the Notice of Meeting;
- other material terms of the Options are as follows:

- 6.2.1. The Options will be vested if Ms Haas remains a Director on the vesting date. If Ms Haas ceases to be a director, his unvested Options will lapse at the discretion of the Board.
- 6.2.2. The Options may only be exercised after being vested and before the Expiry Date. After this time, any unexercised Options will automatically lapse. Shares issued on exercise of Options will rank equally in all respects with then existing Shares in the Company. The Options are subject to ASX Listing Rules, and all terms required under those rules apply to Options. The Company will not apply for quotation of the Options to ASX.
- 6.2.3. An Option confers the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised in accordance with the ASX Listing Rules.
- 6.2.4. In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the ASX Listing Rules.

6.3 Section 208 of the Corporations Act

Section 208 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:

- 6.3.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 6.3.2. give the benefit within 24 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.

The grant of the Options constitutes giving a financial benefit and Ms Haas is a related party of the Company. One of the exceptions to section 208 is the payment of reasonable remuneration.

The Board (other than Mr Ms Haas) has considered that the number of Options to be issued to Ms Haas is appropriate and reasonable remuneration for the reasons set out above.

6.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options the subject of Resolution 6 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

6.5 Additional information

If Resolution 6 is passed the Company will be able to proceed with the issue of the Options to Ms Haas within one month after the date of the Meeting. If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Options to Ms Haas.

6.6 Board recommendation

The Board (other than Ms Haas who has an interest in the resolution) recommends that Shareholders vote in favour of this resolution.

7 RESOLUTION 7 – ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTOR – GREG BAXTER

7.1 General & Background

The Company proposes, subject to obtaining shareholder approval, to issue a total of 2,000,000 Options to its non-executive director, Greg Baxter, on the terms set out in this Notice & Explanatory Statement.

Mr Baxter was appointed as a director of the company in November 2016. Directors have previously been issued Options as part of their remuneration package.

This resolution seeks to Shareholder approval to issue the Options to Mr Baxter as part of his remuneration package. The exercise price and vesting conditions of the Options have been adjusted to reflect the current Share price and date.

The objective of the issue of the Options and of this Resolution is to provide Mr Baxter with a mechanism to participate in the development of the Company and a long-term incentive for his involvement with, and commitment to, the Company.

7.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), an entity must not issue or agree to issue equity securities to any of the following persons without the approval of the holders of its ordinary securities:

- related party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- an associate of a person referred to in rules 10.11.1 to 10.11.3; or
- a person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.

As Resolution 7 involves the issue of Options to a related party, by virtue of Mr Baxter being a Director of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Options to Mr Baxter:

- the Options are proposed to be issued to Mr Greg Baxter, Non-Executive Director (or his nominee/s), who falls within the category set out in Listing Rule 10.11.1, being a related party by virtue of being a Director;
- the Options enable Mr Baxter to subscribe for 1 Share upon exercise of each Option and are proposed to be issued on the following terms:

Maximum number	Exercise Price	Vesting Date	Expiry Date
2,000,000	\$0.15	18 November 2024	18 November 2026

- the Options will be issued within 1 month of the date of the Meeting;
- no funds will be raised from the issue as the Options are being issued for nil cash consideration;
- the current total remuneration package for Mr Baxter (since 1 July 2022) is \$50,000 (inclusive superannuation) per annum.
- the Options are not being issued under an agreement;
- a voting exclusion statement is included in the Notice of Meeting;
- other material terms of the Options are as follows:

- 7.2.1. The Options will be vested if Mr Baxter remains a Director on the vesting date. If Mr Baxter ceases to be a director, his unvested Options will lapse at the discretion of the Board.
- 7.2.2. The Options may only be exercised after being vested and before the Expiry Date. After this time, any unexercised Options will automatically lapse. Shares issued on exercise of Options will rank equally in all respects with then existing Shares in the Company. The Options are subject to ASX Listing Rules, and all terms required under those rules apply to Options. The Company will not apply for quotation of the Options to ASX.
- 7.2.3. An Option confers the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised in accordance with the ASX Listing Rules.
- 7.2.4. In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the ASX Listing Rules.

7.3 Section 208 of the Corporations Act

Section 208 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:

- 7.3.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 7.3.2. give the benefit within 24 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.

The grant of the Options constitutes giving a financial benefit and Mr Baxter is a related party of the Company. One of the exceptions to section 208 is the payment of reasonable remuneration. The Board (other than Mr Baxter) has considered that the number of Options to be issued to Mr Baxter is appropriate and reasonable remuneration for the reasons set out above.

7.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options the subject of Resolution 7 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

7.5 Additional information

If Resolution 7 is passed the Company will be able to proceed with the issue of the Options to Mr Baxter within one month after the date of the Meeting. If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Options to Mr Baxter.

7.6 Board recommendation

The Board (other than Mr Baxter who has an interest in the resolution) recommend that Shareholders vote in favour of this resolution.

8 RESOLUTION 8 – ISSUE OF OPTIONS TO EXECUTIVE DIRECTOR – GEOFF LORD

8.1 General & Background

The Company proposes, subject to obtaining shareholder approval, to issue a total of 4,000,000 Options to its Executive Chair, Geoff Lord, on the terms set out in this Notice & Explanatory Statement.

Mr Lord was appointed as a Director of the Company in November 2016. Directors have previously been issued Options as part of their remuneration package.

This Resolution seeks to Shareholder approval to issue the Options to Mr Lord as part of his remuneration package. The exercise price and vesting conditions of the Options have been adjusted to reflect the current Share price and date.

The objective of the issue of the Options and of this Resolution is to provide Mr Lord with a mechanism to participate in the development of the Company and a long-term incentive for his involvement with, and commitment to, the Company.

8.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), an entity must not issue or agree to issue equity securities to any of the following persons without the approval of the holders of its ordinary securities:

- related party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;

- an associate of a person referred to in rules 10.11.1 to 10.11.3; or
- a person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.

As Resolution 8 involves the issue of Options to a related party, by virtue of Mr Lord being a Director and substantial holder of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Options to Mr Lord:

- the Options are proposed to be issued to Mr Geoff Lord, Executive Chair (or his nominee/s), who falls within the categories set out in Listing Rule 10.11.1 and 10.11.3, being a related party by virtue of being a Director as well as a substantial holder of the Company;
- the Options enable Mr Lord to subscribe for 1 Share upon exercise of each Option and are proposed to be issued on the following terms:

Maximum number	Exercise Price	Vesting Date	Expiry Date
4,000,000	\$0.15	18 November 2024	18 November 2026

- the Options will be issued within 1 month of the date of the Meeting;
- no funds will be raised from the issue as the Options are being issued for nil cash consideration;
- the current total remuneration package for Mr Lord (since 1 July 2022) is \$100,000 (inclusive superannuation) per annum.
- the Options are not being issued under an agreement;
- a voting exclusion statement is included in the Notice of Meeting;
- other material terms of the Options are as follows:

- 8.2.1. The Options will be vested if Mr Lord remains a Director on the vesting date. If Mr Lord ceases to be a director, his unvested Options will lapse at the discretion of the Board.
- 8.2.2. The Options may only be exercised after being vested and before the Expiry Date. After this time, any unexercised Options will automatically lapse. Shares issued on exercise of Options will rank equally in all respects with then existing Shares in the Company. The Options are subject to ASX Listing Rules, and all terms required under those rules apply to Options. The Company will not apply for quotation of the Options to ASX.
- 8.2.3. An Option confers the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised in accordance with the ASX Listing Rules.
- 8.2.4. In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the Option holder will be varied in accordance with the ASX Listing Rules.

8.3 Section 208 of the Corporations Act

Section 208 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:

8.3.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

8.3.2. give the benefit within 24 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.

The grant of the Options constitutes giving a financial benefit and Mr Lord is a related party of the Company. One of the exceptions to section 208 is the payment of reasonable remuneration. The Board (other than Mr Lord) has considered that the number of Options to be issued to Mr Lord is appropriate and reasonable remuneration for the reasons set out above.

8.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options the subject of Resolution 2 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

8.5 Additional information

If Resolution 8 is passed the Company will be able to proceed with the issue of the Options to Mr Lord within one month after the date of the Meeting. If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Options to Mr Lord.

8.6 Board recommendation

The Board (other than Mr Lord who has an interest in the resolution) recommend that Shareholders vote in favour of this resolution.

9 RESOLUTION 9 - APPROVAL OF SENIOR MANAGERS SHARE OPTION PLAN AND ISSUE OPTIONS UNDER THE SENIOR MANAGERS SHARE OPTION PLAN

9.1 Background

The Board has adopted a Senior Managers Share Option Plan (**SMSOP**).

The key terms and provisions of the SMSOP are set out in Schedule 2. A copy of the rules of the SMSOP will be provided to any shareholder who requests a copy by emailing investor@tesseract.com.

The SMSOP's purpose is to assist in the reward, retention and motivation of the Senior Managers in the business by enabling them to acquire options under the SMSOP. The Senior Managers of the Company have been, and will continue to be instrumental in growth of the Company. The Board considers that the SMSOP is an appropriate method to reward the Senior Managers for their performance, to provide long term incentives for participation in the Company's future growth.

As explained below, for issues of securities pursuant to the SMSOP to be excluded from the Company's placement capacity, this exception must be approved by Shareholders within 3 years before the issue date. The Company is now seeking such Shareholder approval.

9.2 Exception to ASX Listing Rules 7.1 and 7.1A

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 months period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing 7.1A requires special shareholder approval for a further issue of equity securities if, over a rolling 12 months period, the amount of equity securities issued is more than 10% of the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.2 Exception 13 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 and the further 10% limit under Listing Rule 7.1A if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was approved by shareholders no more than 3 years before the date of issue. The SMSOP is regarded as an employee incentive scheme for the purpose of Listing Rule 7.2.

The Company intends that the issue of securities under the SMSOP not be included when undertaking the calculations pursuant to Listing Rules 7.1 and 7.1A. Accordingly, it is seeking shareholder approval in order for the Company to be able to continue to issue securities pursuant to the SMSOP and have those options qualify under Exception 13 of Listing Rule 7.2.

If Shareholder approval in accordance with Listing Rule 7.2, Exception 13(b) is not granted, grants of Options under the SMSOP may still be made but must be counted towards the 15% limit on the Company's capacity to issue new securities without Shareholder approval under ASX Listing Rule 7.1.

Under section 208 of the Corporations Act and ASX Listing Rules 10.11 and 10.14, any specific issue of securities to a director (and/or its associate) or other relevant persons under an employee incentive scheme will need additional shareholder approval. The Company will seek such additional approval before issuing any securities under the SMSOP where required.

9.3 Technical information required by ASX Listing Rule 7.2

Pursuant to, and in accordance with, ASX Listing Rule 7.2 Exception 13(b), the following information is provided in relation to Resolution 9:

- 9.3.1. a summary of the key terms of the SMSOP is set out in Schedule 3;
- 9.3.2. no securities have yet been issued under the SMSOP;
- 9.3.3. the maximum number of Equity Securities proposed to be issued under the SMSOP following the Shareholder approval is 35,000,000 securities in total, which comprises approximately 2.67% of the Company's issued Shares; and
- 9.3.4. a voting exclusion statement is included in the Notice of Meeting.

10 RESOLUTION 10 – ISSUE OF OPTIONS TO CEO & MANAGING DIRECTOR – KURT HANSEN

10.1 General & Background

The Company proposes, subject to obtaining shareholder approval, to issue a total of 20,000,000 Options to the current Managing Director, Mr Kurt Hansen, on the terms set out in this Notice & Explanatory Statement (**MD Options**).

The Board considers the number of MD Options to be issued to Mr Hansen is appropriate remuneration when considered together with his existing salary and other remuneration and the expanded size and scale of the Group. The incentive represented by these securities is cost effective and efficient, when compared to alternative forms of incentive, such as the payment of cash compensation.

The MD Options issued to Mr Hansen will rank equally in all with then existing Shares in the Company.

10.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), an entity must not issue or agree to issue equity securities to any of the following persons without the approval of the holders of its ordinary securities:

- related party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- an associate of a person referred to in rules 10.11.1 to 10.11.3; or
- a person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.

As Resolution 10 involves the issue of MD Options to a related party, by virtue of Mr Hansen being a Director of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of MD Options to Mr Hansen:

- the MD Options are proposed to be issued to Mr Hansen, Managing Director and CEO, who falls within the category set out in Listing Rule 10.11.1, being a related party by virtue of being a Director;
- the MD Options enable Mr Hansen to subscribe for 1 Share upon exercise of each MD Option and are proposed to be issued on the following terms:

Maximum number	Exercise Price	Vesting Date	Expiry Date
20,000,000	\$0.15	18 November 2024	18 November 2026

- the MD Options will be issued within 1 month of the date of the Meeting;
- no funds will be raised from the issue as the MD Options are being issued for nil cash consideration;
- the current total remuneration package for Mr Hansen is as follows:

Remuneration element	Quantum
Total fixed remuneration (inclusive of superannuation)	\$546,724 per annum
Short-term incentive (maximum opportunity)	\$150,000 per annum, subject to agreed KPIs
Long-term incentive (maximum opportunity)	20,000,000 MD Options

- the MD Options are not being issued under an agreement;
- a voting exclusion statement is included in the Notice of Meeting;
- other material terms of the MD Options are as follows:

10.2.1. The MD Options will be vested if Mr Hansen remains the CEO and Managing Director on the vesting date. If Mr Hansen ceases to be the CEO and Managing Director, his unvested MD Options will lapse at the discretion of the Board.

- 10.2.2. The MD Options may only be exercised after being vested and before the Expiry Date. After this time, any unexercised MD Options will automatically lapse. Shares issued on exercise of MD Options will rank equally in all respects with then existing Shares in the Company. The MD Options are subject to ASX Listing Rules, and all terms required under those rules apply to MD Options. The Company will not apply for quotation of the MD Options to ASX.
- 10.2.3. A MD Option confers the right to a change in exercise price or a change in the number of underlying securities over which the MD Option can be exercised in accordance with the ASX Listing Rules.
- 10.2.4. If there is a change in control event in respect of the Company, such as takeover of the Company, all of the MD Options will vest.
- 10.2.5. In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the MD Option holder will be varied in accordance with the ASX Listing Rules.

10.3 Section 208 of the Corporations Act

Section 208 of the Corporations Act requires that for a public company, or an entity that the public controls, to give a financial benefit to a related party of the public company, the public company entity must:

- 10.3.1. Obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 10.3.2. Give the benefit within 24 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.

The grant of the MD Options constitutes giving a financial benefit and Mr Hansen is a related party of the Company by virtue of being a director of the Company. One of the exceptions to section 208 is the payment of reasonable remuneration. The Board (other than Mr Hansen) reviewed the remuneration payable to Mr Hansen and has recommended the issue of the MD Options as being reasonable remuneration having regard to the increase in scale and complexity of the Company and the responsibilities involved in the functions to be performed by him.

10.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the MD Options the subject of Resolution 10 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the MD Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

10.5 Section 200C of the Corporations Act

Section 200C of the Corporations Act states that a person must not give a benefit to a person who holds a managerial or executive office in a company in connection with the transfer of the whole or any part of the undertaking or property of the Company, unless there is shareholder approval under section 200E for the giving of the benefit.

As outlined above, if in certain circumstances a change of control event occurs where the Company disposes of the whole (or a substantial part) of its business or property to another entity, Mr Hansen may be entitled to have his MD Options vest earlier than would have been the case had the change of control not occurred.

The Company is seeking Shareholder approval under section 200E for the benefit which might be conferred on Mr Hansen under the terms of the grant in the event that a change in control of the Company occurs in the future because in that circumstance, vesting of all of MD Options may be accelerated.

The monetary value of the benefit that may be given to Mr Hansen will be the monetary value of any vested MD Options at the time of the change of control event. The actual value of any potential benefit that Mr Hansen may receive on a change of control in the future cannot be ascertained at this time. Key matters that will, or are likely to, affect the calculation of that value include the timing and circumstances of the change of control event and the price of Shares at the time of the change of control event.

10.6 Additional information

If Resolution 10 is passed the Company will be able to proceed with the issue of the MD Options to Mr Hansen within one month after the date of the Meeting. If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the MD Options to Mr Hansen. In the latter circumstance, the Board would then need to consider alternative remuneration arrangements for Mr Hansen which are consistent with the Company's remuneration principles, including providing an equivalent cash payment subject to the risk of forfeiture, vesting conditions and vesting period.

10.7 Board recommendation

The Board (other than Mr Hansen who has an interest in the resolution) recommend that Shareholders vote in favour of this resolution.

11 RESOLUTION 11 – RE-INSERTION OF PROPORTIONAL TAKEOVER PROVISIONS

Clause 13 of the Company's Constitution contains provisions which deal with proportional takeover bids for shares in the Company.

A proportional takeover bid is an off-market takeover offer to buy only a specified proportion of each shareholder's shares in the bid class. The provisions in clause 13 are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by prohibiting registration of transfers of shares acquired under the takeover bid unless Shareholders pass a resolution approving the bid or a resolution is taken to have been passed.

Under section 648G of the Corporations Act (and clause 13 of the Constitution), the proportional takeover provisions must be renewed every 3 years or they will cease to have effect. The provisions have not been renewed since the Company has adopted the Constitution. The Board considers that it is in the best interests of the Company's shareholders to include the proportional takeover provisions in the Constitution and Shareholders are therefore asked to consider a resolution to reinsert the provisions in the Constitution. If reinserted, the provisions will be in identical terms to those set out in clause 13 of the Constitution (as set out in Schedule 4 attached to this Notice).

11.1 Effect of reinserting proportional takeover provisions

The effect of reinserting the provisions will be:

- if a proportional takeover offer is received, the Directors are required to convene a meeting of Shareholders to vote on a resolution to approve the offer. That meeting must be held at least 15 days before the offer closes;
- a simple majority of shares voted at the meeting i.e. at least 50% of the votes cast, excluding the shares of the offeror and its associates, is required for the resolution to be passed;
- if no resolution is voted on at least 15 days before the close of the offer, such a resolution is deemed to have been approved (Note: the Directors breach the Corporations Act if they fail to ensure the approving resolution is voted on);

- if the resolution is rejected, the registration of any transfer of shares resulting from the proportional offer will be prohibited and, under the Corporations Act, the offer will be ineffective; and
- if the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Constitution.

The proportional takeover approval provisions do not apply to full takeover offers and, if reinserted, will expire after 3 years, unless renewed by Shareholders by special resolution.

11.2 Reasons for reinserting the provisions

The Board considers that Shareholders should have the opportunity to vote on a proposed proportional takeover bid.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority position and without Shareholders having the opportunity to dispose of all of their shares, so that Shareholders could be at risk of being left as part of a minority interest in the Company.

This could place Shareholders under pressure to accept the bid. If the Constitution includes these proportional takeover provisions, it will minimise this risk to Shareholders by permitting Shareholders in general meeting to decide whether a proportional takeover bid should be permitted to proceed.

11.3 Present acquisition proposals

As at the date of this Notice, no Director is aware of a proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

11.4 Review of the advantages and disadvantages of the proportional takeover provisions during the period

The potential advantages and disadvantages of the proportional takeover provisions for the Directors and Shareholders are set out below. There has not been any proportional takeover bid during the period that the provisions were in effect previously.

11.5 Potential advantages and disadvantages for the Directors and Shareholders of the Company associated with proportional takeover provisions

Advantages

- Enables the Board to formally ascertain the views of Shareholders in respect of a proportional takeover offer;
- Ensures that all Shareholders will have an opportunity to study a proportional takeover offer and then attend or be represented by proxy at a meeting of Shareholders called specially to vote on the offer;
- Enables Shareholders to prevent a proportional takeover bid from proceeding if they believe that control of the Company should not be permitted to pass under the bid; and
- Likely to encourage any proportional bid to be structured so as to be attractive to a majority of Shareholders.

Disadvantages

- May discourage proportional takeover bids for the Company;
- May as a result reduce any 'takeover speculation' element in the Company's share price or deny Shareholders the opportunity of selling some of their shares at a premium; and
- May restrict the ability of individual Shareholders to deal freely with their shares in some circumstances.

Each of the Directors recommends that Shareholders vote in favour of Resolution 11.

12 RESOLUTION 12 – MODIFICATION OF EXISTING CONSTITUTION

12.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 12 seeks the approval of Shareholders to modify the Company's existing Constitution to incorporate the new regime for the making of offers in connection with employee share schemes under Part 7.12 of the Corporations Act which came into effect on 1 October 2022 (**ESS Division**). The ESS Division will replace the current relief afforded by ASIC Class Order 14/1000 for employee share schemes.

A copy of the modified Constitution is available for review by Shareholders at the Company's website <https://investors.tesseract.com/site/about/corporate-governance>. A copy can also be requested by emailing investor@tesseract.com.

If Resolution 12 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution is passed. If Resolution 12 is not passed, the Company will rely on the issue cap prescribed under the Corporations Act.

12.2 Summary of proposed amendments

The proposed amendments provide the ability for the Company to increase the 5% issue cap under the Corporations Act in respect of offers for monetary consideration under the Company's employee share scheme/s to 15% of the issued share capital. Set out below is the proposed modification to the existing Constitution. The amendments are being proposed to give the Company maximum flexibility and clarity if it wished to issue securities to employees under the new ESS Division.

- (i) Insert as a new Clause 4.11:

4.11 Issue cap for offers involving consideration under an employee incentive scheme

The prescribed percentage for the purposes of section 1100V(2)(a) of the Corporations Act is 15%.

12.3 Additional Information

Resolution 12 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).

A voting exclusion statement is set out in the Notice of Meeting.

12.4 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 12.

GLOSSARY

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party means in relation to a member of Key Management Personnel;

(a) a spouse or child of the member; or

(b) a child of the member's spouse; or

(c) a dependant of the member or of the member's spouse; or

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or

(e) a company the member controls; or

(f) a person prescribed by the regulations to the Corporation Act for the purposes of the above paragraphs.

Company and **Tesserent** means Tesserent Limited ACN 605 672 928.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Equity Securities has the meaning given to it in Chapter 19 of the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting, Meeting and **Annual General Meeting** means the meeting of the shareholders of Tesserent Limited intended to be held at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008 and by videoconference at 11.00 am Melbourne time on Friday, 18 November 2022 convened by the Notice.

KMP or **Key Management Personnel** means a member of Key Management Personnel named in the Remuneration Report;

Notice of Meeting and **Notice** means this notice of meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Remuneration Report means the Remuneration Report contained in the Directors' Report section of the Company's 2022 Annual Report.

Resolution means a resolution in this Notice of Meeting.

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

Shareholder means a registered holder of a Share.

Schedule 1 - Prior issues of securities

Table 1: issues under Listing Rule 7.1

Date of issue announcement	No of securities	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount (%)	Consideration cash (\$)	Consideration non cash	Purpose of issue	Persons issued to or basis on which those persons were determined
24.12.21	33,886,663	24.12.21	Ordinary shares	0.1650	0.17	2.9	Refer to ASX announcement below.	Refer to ASX announcement below.	Part consideration of business acquisition – Pearson Corporation	Vendors of business
24.12.21	4,728,105	24.12.21	Ordinary shares	0.1675	0.17	1.5	Refer to ASX announcement below.	Refer to ASX announcement below.	Part consideration of business acquisition – Claricent Pty Ltd	Vendors of business
14.2.22	5,812,017	11.2.22	Ordinary shares	0.2112	0.16	32.0	Refer to ASX announcement below.	Refer to ASX announcement below.	FY22 earnout consideration of business acquisition – Lateral Security Pty Ltd	Vendors of business
26.8.22	10,926,052	23.8.22	Ordinary shares	0.1122	0.1150	2.4	Refer to ASX announcement below.	Refer to ASX announcement below.	FY22 earnout consideration of business acquisition – Loop Secure Pty Ltd	Vendors of business

Notes:

Claricent and Pearson

- (1) See ASX announcement 7 December 2021 – [“Tesseract cements leading position in federal government cybersecurity with two acquisitions expanding government capabilities”](#)
- (2) See ASX announcement 24 December 2021 – [“Tesseract completed acquisitions of Pearson and Claricent”](#)

Lateral Security

- (3) see ASX announcement 17 December 2020 - [“Tesseract enters New Zealand Market with first strategic acquisition of local cybersecurity Firm”](#)

Loop Secure

- (4) See ASX announcement 19 August 2021 – [“Tesseract cements market leading positions with acquisition of Loop Secure”](#)
- (5) See ASX announcement 7 October 2021 – [“Tesseract completes acquisition of Loop Secure”](#)

Schedule 2

Key terms of ESOP

The material terms of the updated 2022 ESOP are as follows:

1. **Eligible persons** – eligible persons are all full and part time employees and contractors of the Company, except for directors. Directors are ineligible to participate. The Board has the discretion to determine which of the eligible employees participate, and to what extent.
2. **Terms of issue** – the terms of issue of Options, such as issue price, exercise price, exercise period and any other criteria such as performance of Option holder, are at the discretion of the Board.
3. **Expiry date of Options issued** – Options issued will expire in normal circumstances either 4 years from the date of issue or such other period determined by the Board. Generally, if an employee ceases employment for any reason, that employee has a certain period to exercise any Options, following which they lapse.
4. **Change of control** – the Board is able to make a determination that some or all of a participant's Options vest if the Company becomes, or in the opinion of the Board is likely to become, subject to a change of control event;
5. **Cessation of employment** – if the Option holder ceases to be employed by the Company (other than as the result of ceasing to be employed by reason of being dismissed other than for cause within 24 months after the change of control event), unvested Options lapse on the date of cessation and vested Options lapse after one month following the date of cessation, unless otherwise determined by the Board.
6. **Limit on securities to be issued** – the Board must comply with the issue cap that applies to the Company for the purposes of Division 1A of Part 7.12 of the Corporations Act when making offers under the ESOP.
7. **No substantial issue to single employee** – the Board may not allot Options to a particular employee if, as a result of the exercise of those Options, that employee would hold more than 5% of the issued shares of the Company.
8. **Other terms required under the ASX Listing Rules** – the issue of Options and the Options themselves are subject to the ASX Listing Rules and all terms required under those rules apply to Options.

A copy of the ESOP Rules is available to any shareholder on request by email – investor@tesseract.com.

Schedule 3 Key terms of SMSOP

The material terms of the SMSOP are as follows:

1. **Eligible persons** – eligible persons are senior managers that are full time or part time employees of the Company, except for directors. Directors are ineligible to participate. The Board has the discretion to determine which of the eligible senior managers participate, and to what extent.
2. **Terms of issue** – the terms of issue of Options, such as issue price, exercise price, exercise period and any other criteria such as performance of Option holder, are at the discretion of the Board.
3. **Expiry date of Options issued** – Options issued expire in normal circumstances either 4 years from the date of issue or such other period determined by the Board. Generally, if an employee ceases employment for any reason, that employee has a certain period to exercise any Options, following which they lapse.
4. **Change of control** – the Board is able to make a determination that some or all of a participant's Options vest if the Company becomes, or in the opinion of the Board is likely to become, subject to a change of control event.
5. **Cessation of employment** – if the Option holder ceases to be employed by the Company (other than as the result of ceasing to be employed by reason of being dismissed other than for cause within 24 months after the change of control event), unvested Options lapse on the date of cessation and vested Options lapse after one month following the date of cessation, unless otherwise determined by the Board.
6. **Limit on securities to be issued** – The Board must comply with the issue cap that applies to the Company for the purposes of Division 1A of Part 7.12 of the Corporations Act when making offers under the SMSOP.
7. **No substantial issue to single employee** – the Board may not allot Options to a particular employee if, as a result of the exercise of those Options, that employee would hold more than 5% of the issued shares of the Company.
8. **Other terms required under the ASX Listing Rules** – the issue of Options and the Options themselves are subject to the ASX Listing Rules and all terms required under those rules apply to Options.

A copy of the SMSOP Rules is available to any shareholder on request by email – investor@tesseract.com.

Schedule 4

Proportional Takeover Bid Provisions

13. PROPORTIONAL TAKEOVER BIDS

13.1 Transfers not to be registered

A transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid must not be registered unless a resolution to approve the proportional takeover bid has been passed or is taken to have been passed under clause 13.2.

13.2 Approving resolution

- a) Where offers have been made under a proportional takeover bid, the Directors must, before the day that is 14 days before the last day of the bid period, during which the offers under the proportional takeover bid remain open or a later day allowed by ASIC (Resolution Deadline):
 - i. call a meeting of the persons entitled to vote on the resolution for the purpose of considering and, if thought fit, passing a resolution to approve the proportional takeover bid; and
 - ii. ensure that the resolution is voted on under this clause 13.2.
- b) The provisions of this Constitution in relation to general meetings apply, with such modification as the circumstances require, to a meeting that is convened under clause 13.2(a), as if that meeting were a general meeting of the Company.
- c) The bidder under a proportional takeover bid and any associates of the bidder are not entitled to vote on the approving resolution and if they do vote, their votes must not be counted.
- d) Subject to clause 13.2(c), a person who, as at the end of the day on which the first offer under the proportional takeover bid was made, held securities of the relevant class, is entitled to vote on the approving resolution relating to the proportional takeover bid.
- e) A resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- f) If a resolution has not been voted on under this clause 13.2 as at the end of the day before the Resolution Deadline, a resolution will be taken to have been passed under this clause 13.2 on the Resolution Deadline.

13.3 Sunset Clause

13.1 ceases to have effect at the end of three years beginning:

- a) where those clauses have not been renewed in accordance with the Corporations Act, on the date that those clauses were adopted by the Company; or
- b) where those clauses have been renewed in accordance with the Corporations Act, on the date those clauses were last renewed.

Need assistance?**Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**
www.investorcentre.com/contact

TNT

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Wednesday, 16 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999**
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Tesserent Limited hereby appoint

☐

the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tesserent Limited to be held at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria, 3008 and online on 18 November 2022 at 11.00 am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7, 8, 9 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7, 8, 9 and 10 by marking the appropriate box in step 2.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Retirement and re-election of a director - Geoff Lord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of amended Employee Share Option Plan and issue Options under the amended Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Options to Non-Executive Director - Megan Haas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
7 Issue of Options to Non-Executive Director - Greg Baxter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Options to Non-Executive Director - Geoff Lord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Senior Management Share Option Plan and issue Options under the Senior Management Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval of grant of Options to CEO and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Re-insertion of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Modification of existing Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /



TNT

999999A



Computershare +