

ASX ANNOUNCEMENT

30 August 2023

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

Dear Sir/ Madam,

APPENDIX 4G & CORPORATE GOVERNANCE STATEMENT

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

- Appendix 4G; and
- Corporate Governance Statement.

Copies of ASX releases issued by the Company are available via our website at <https://investors.tesseract.com>.

ENDS

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

Authorised for lodgement by the Tesseract Limited Board of Directors.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Tesseract Limited

ABN

13 605 672 928

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:

- These pages of our annual report:
- This URL on our website: <https://investors.tesseract.com/site/about/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 30 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.²

Date: 30 August 2023

Name of authorised officer authorising lodgement: Paul Taylor

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

³ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters”).

⁴ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://investors.tesseract.com/site/about/corporate-governance</p> <p>and we have disclosed the information referred to in paragraph (b) at:</p> <p>Non-compliant</p> <p>and the information referred to in paragraphs (c): in our Workplace Gender Equality Act Report, available at: https://investors.tesseract.com/site/about/corporate-governance</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at: in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>in the Annual Report</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: in our Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: in our Corporate Governance Statement and the length of service of each director at: in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Code of Conduct at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴	
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.tesseract.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: in the Annual Report.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://investors.tesseract.com/site/about/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.tesseract.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: in the Annual Report</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at: in our Corporate Governance Statement</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: in our Corporate Governance Statement and, if we do, how we manage or intend to manage those risks at: in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.tesseract.com/site/about/corporate-governance and the information referred to in paragraphs (4) and (5) at: in the Annual Report</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: in the Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	Where a box below is ticked, ³ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁴	
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable



**Securing our
digital future,
together.**

Corporate Governance Statement 2023

Tesseract Limited and Controlled Entities
ABN: 13 605 672 928



Corporate Governance Statement

30 AUGUST 2023

The Board of Directors of Tesseract Limited (Board) is committed to ensuring that its Corporate Governance framework meet the requirements set out in the ASX Corporate Governance Council's Principles and Recommendations (Fourth Edition) (Governance Principles). Strong corporate governance is critical to the delivery of value to our shareholders and acting with transparency and integrity in the conduct of our business.

Consistent with prior years, the Board does not consider that all the ASX Recommendations are applicable for the company, and where Tesseract has not fully complied with an ASX Recommendation, this has been specified in the Corporate Governance Statement, together with the reasons why it has not been followed.

The Company's corporate governance policies and practices are outlined below and are available in the corporate governance information section of the Company's website: <https://investors.tesseract.com/site/about/corporate-governance>.

- a. **Code of Conduct** – This policy sets out a statement of the shared values of the Company and how the Company conducts itself and its business.
- b. **Board Charter** – This policy sets out the principles for the operation of the Board and describes the functions of the Board and those functions delegated to management of the Company.
- c. **Selection and Appointment of New Directors Policy** – This policy ensures that the procedure when selecting and appointing new Directors is formal and transparent.
- d. **Board and Senior Executive Evaluation Policy** – This policy sets out the process relating to performance and evaluation of the Board, senior executives and individual Directors.
- e. **Appointment of External Auditor Policy** – This policy summarises the conditions on which the Company will select an external auditor.
- f. **Continuous Disclosure Policy** – This policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.
- g. **Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws.
- h. **Anti-Bribery Policy** – This policy sets out the practices which the Company follows to ensure compliance by the Company, its Directors, Senior Executives and employees with the anti-bribery or anti-corruption laws in the jurisdictions that the Company operates.
- i. **Shareholder Communications Policy** – This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.
- j. **Diversity Policy** – This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees.
- k. **Audit and Risk Management Committee Charter** – This policy sets out the objectives and procedures for the Audit and Risk Management Committee when it is in operation.
- l. **Nominations and Remuneration Committee Charter** – This policy sets out the objectives and procedures for the Nominations and Remuneration Committee when it is in operation.

ADHERENCE WITH AND DEPARTURES FROM RECOMMENDATIONS

The Company's compliance with and departures from the Recommendations during the reporting period are set out on the following pages.

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <ol style="list-style-type: none"> a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management. 	<p>The respective roles and responsibilities of the Board and executives are defined in the Board Charter.</p> <p>The Board Charter outlines:</p> <ul style="list-style-type: none"> - The roles of the Board, the Chairman, the Chief Executive Officer (CEO) and the Company Secretary. - The guidelines for Board composition, including the processes around Director appointments and Board nominations. - The general and specific responsibilities of the Board. - Responsibility for the operation and administration of the Group is delegated by the Board to the CEO and the Senior Leadership Team (SLT). The Board ensures that the CEO and SLT are appropriately qualified and experienced to discharge their responsibilities. <p>Some key functions reserved for the Board are:</p> <ul style="list-style-type: none"> - Approval of the budget; - Approval of the strategic plan; - Approval of annual, half-yearly and quarterly financial reports; - Approving and monitoring the progress of major acquisition and divestments; - Ensuring the Company's Code of Conduct and other policies are adhered to, to promote ethical and responsible decision making and compliance with applicable laws; - Ensuring any significant risks that arise are identified, assessed and appropriately managed and monitored; and - Reporting to shareholders. <p>While the Board retains full responsibility for guiding and monitoring the Company, to assist in discharging its responsibilities, it makes use of sub-committees. To this end the Board had in place an Audit & Risk Management Committee for FY23. Reestablishment of the NRC had been tabled for the TNT Board's consideration, however these duties were retained and discharged by the TNT Board in FY23.</p> <p>The Company complies with this Recommendation.</p>

Corporate Governance Statement

continued

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>1.2 A listed entity should:</p> <ul style="list-style-type: none"> a. undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	<p>The procedure for the selection of new Directors is set out in the Selection and Appointment of New Directors Policy. Under this policy, Shareholders are required to be provided with all material information relevant to making an informed decision on whether or not to elect or re-elect a Director, including experience, qualifications, relevant memberships, and details of other material directorships held, or other interest, position or relationship that might influence on their ability to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.</p> <p>The notice of meeting also states whether the Board considers the Director to be independent, and the term of office currently served by the Director.</p> <p>The Company complies with this Recommendation.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company has entered into a written agreement with each Director and senior executive, setting out the terms of their appointment, including role, responsibilities and remuneration.</p> <p>A director must advise the Board in relation to any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest.</p> <p>The Company complies with this Recommendation.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Board Charter provides that the Company Secretary's role is:</p> <ul style="list-style-type: none"> - advising the Board and its committees on governance matters; - monitoring that board and committee policies and procedures are followed; - coordinating the timely completion and despatch of board and committee papers; - ensuring that the business at board and committee meetings is accurately captured in the minutes; and - helping to organise and facilitate the induction and professional development of Directors. <p>As stated in the Board Charter, each director can communicate directly with the Company Secretary and vice versa. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and its committees.</p> <p>The Company complies with this Recommendation.</p>

RECOMMENDATION

COMPANY'S CURRENT PRACTICE

- 1.5 A listed entity should:
- a. have and disclose a diversity policy;
 - b. through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
 - c. disclose in relation to each reporting period:
 - i. the measurable objectives set for that period to achieve gender diversity;
 - ii. the entity's progress towards achieving those objectives; and
 - iii. either:
 - a. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
 - b. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company recognises that a diverse and talented workforce at all levels is a competitive advantage, and that the Company's success is the result of the quality and skills of its people. The Company has established and implemented a Diversity Policy which is overseen by the Board and may be viewed in full at: <https://investors.tesseract.com/site/about/corporate-governance>.

The Company's Diversity Policy requires the Board to establish measurable objectives to assist the Company in achieving gender diversity.

The Company did not set Measurable Objectives for achieving gender diversity for the 2023 financial year due the level integration activities required across the Group, however the following activities were undertaken in FY23 in support of the Company's broader diversity objectives, namely the Company:

- Launched company-wide mandatory HR Compliance training, including Respect at Work, Anti-Bullying and Anti-Harassment and Diversity and Inclusion.
- Updated the Workplace Harassment, Sexual Harassment, Discrimination and Bullying Policy to include Sexual Harassment definition.
- Updated the Parental Leave policy to ensure compliance with legislative changes.
- Updated the Domestic & Family Violence Policy in line with legislative requirements.
- Developed a draft a draft Flexible Working Arrangement and Remote Working Policy to expand on options for working arrangements above the current standard for consideration.
- Gold Sponsor of the Australian Women in Security Network (AWSN) supporting the growth of women in the security community.
- Sponsor for WIC Women in ICT supporting women to progress in the ICT industry, making change and networking with their peers.
- Representation of female managers increased to 27.6%.

The Company is a 'relevant employer' under the Workplace Gender Equality Act and lodged its report on 31 May 2023. This report contains the most recent 'Gender Equality Indicators' and the public version of this report can be found in the investor section of the company's website at: <https://investors.tesseract.com/site/about/corporate-governance>.

As at 30 June 2023, there were 107 females employed representing 26% of total employees. The Tesseract board has a female Director, following the appointment of Megan Haas in January 2021.

The Company partially complies with this Recommendation.

Corporate Governance Statement

continued

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a process for periodically evaluating the performance of the board, its committees, and individual directors; and b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The Company has adopted a Board and Senior Executive Evaluation Policy.</p> <p>The process for evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chairman.</p> <p>The Chairman oversees conducting individual Director evaluations. A Non-Executive Director will be responsible for the performance evaluation of the Chairman.</p> <p>A review of the: performance of the Board, its role, its attributes and expertise of the Board was initiated during the second quarter of FY23. Following this process, it was resolved to expand the capability of the TNT Board by appointing Tony Sheehan as an independent, non-executive director on 27th January 2023.</p> <p>The Company complies with this Recommendation.</p>
<p>1.7 A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The Company has adopted a Board and Senior Executive Evaluation Policy.</p> <p>The Chief Executive Officer is subject to annual performance evaluation by the Board. All senior executives of the Company are subject to annual performance evaluations by the CEO.</p> <p>A performance evaluation was undertaken for each of the CEO and senior executives in relation to the FY23 reporting period.</p> <p>The Company complies with this Recommendation.</p>
<p>2.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> a. have a nomination committee which: <ul style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: <ul style="list-style-type: none"> iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. 	<p>The Board has adopted a written Nomination & Remuneration Charter that sets out the role and objectives, responsibilities and functions of the Committee and may be viewed in full at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>During the year ended 30 June 2020, the Board suspended the operations of the Committee as it was determined that the Committee was unnecessary given the size of the Board and the Company's operations. The Board as a whole undertakes the role of the Committee as set out in its Charter.</p> <p>Accordingly, a Nomination & Remuneration Committee was not in place in FY23, and these functions were managed by the Board. Reestablishment of the Nomination & Remuneration Committee in FY24 has been tabled for consideration by the Board due to the expansion in number of independent, non-executive directors.</p> <p>The Company does not comply with this Recommendation.</p>

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is set out in the following Board Experience/ Matrix Skill section.</p> <p>The Company complies with this Recommendation.</p>
<p>2.3 A listed entity should disclose:</p> <ol style="list-style-type: none"> a. the names of the directors considered by the board to be independent directors; b. if a director has an interest, position or relationship of the type described above but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and c. the length of service of each director 	<p>In accordance with the Board Charter and the ASX CGPRs, the Board regularly assesses the independence of each of the Non-Executive Directors based on the interests and associations disclosed by them.</p> <p>The Board considers that Megan Haas, Greg Baxter and Tony Sheehan are independent directors. The Board considers that Geoff Lord does not meet the ASX Corporate Governance Council definition of Independent Director given his significant holding of Tesseract securities.</p> <p>The Board considers Kurt Hansen is not an independent director given he is an employee of the Company.</p> <p>The date of appointment of each director is disclosed in details of each director in the Directors' Report section of the Annual Report.</p> <p>A Director must advise the Board if there is any change in the Director's interests, positions, associations or relationships that could bear upon his or her independence at the earliest opportunity.</p> <p>There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.</p> <p>The Company complies with this Recommendation.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>During the reporting period, the Board partially complied with Recommendation 2.4, as the majority of the Board were independent Directors for the ASX purposes from 27 January 2023 onwards.</p> <p>The Board comprises a blend of experienced, independent directors and strong, hands-on directors with deep industry knowledge and expertise.</p> <p>Directors are not involved in decisions where they have, or could be perceived to have, a conflict of interest or material personal interest. Any Director who considers that there may be a conflict of interest or a material personal interest in any matter concerning the Company must declare it immediately.</p> <p>The Company partially complies with this Recommendation.</p>

Corporate Governance Statement

continued

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The roles of the Chairman and CEO are exercised by separate individuals. The Chairman is not considered to be an independent Director for ASX purposes.</p> <p>The Company does not comply with this Recommendation.</p>
<p>2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>The Company has a formal program for inducting new Directors and providing appropriate professional development opportunities. The induction process for each Director is tailored based on the background and needs of that incoming director.</p> <p>During the reporting period the Directors are informed about developments within the Company, the cyber security industry more generally and material developments in law, regulations and accounting standards, in order to maintain the currency of knowledge, skills and experience necessary to perform their roles.</p> <p>The Company complies with this Recommendation.</p>
<p>3.1 A listed entity should articulate and disclose its values.</p>	<p>The Company's values are disclosed in detail within the Board Charter which is published on the Company's website.</p> <p>The Company complies with this Recommendation.</p>
<p>3.2 A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a code of conduct for its directors, senior executives and employees; and b. ensure that the board or a committee of the board is informed of any material breaches of that code. 	<p>The Company has adopted a Code of Conduct which applies to all Directors, officers, employees, contractors or consultants of the Company as well as a Trading Policy. Each of these has been prepared having regard to the Recommendations. This may be viewed in full at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company complies with this Recommendation.</p>
<p>3.3 A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose a whistle-blower policy; and b. ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	<p>The Company has adopted a written Whistleblower Policy which applies to all staff members of the Company, including directors, executives and employees. The Whistleblower Policy may be viewed in full at https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company complies with this Recommendation.</p>
<p>3.4 A listed entity should:</p> <ul style="list-style-type: none"> a. have and disclose an anti-bribery and corruption policy; and b. ensure that the board or a committee of the board is informed of any material breaches of that policy. 	<p>The Company has adopted a written Anti-Bribery Policy which applies to all staff members of the Company, including directors, executives and employees. The Anti-bribery Policy may be viewed in full at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company complies with this Recommendation.</p>

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>4.1 The board of a listed entity should:</p> <p>a. have an audit committee which:</p> <p>i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>ii. is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>iii. the charter of the committee;</p> <p>iv. the relevant qualifications and experience of the members of the committee; and</p> <p>v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has an Audit and Risk Management Committee (ARC) and adopted a written Audit & Risk Management Charter that sets out the role and objectives, responsibilities and functions of the Audit & Risk Committee. The Audit & Risk Management Charter may be viewed in full at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Committee comprises two non-executive directors and is chaired by independent director Megan Haas.</p> <p>The ARC met five times in FY23, each of which was attended by the two non-executive director committee members (and three of these meetings were observed by Tony Sheehan post his appointment in January 2023). The Chair of the ARC also met separately with the external Auditor of the Group.</p> <p>The Company does not comply with this Recommendation.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>In accordance with Recommendation 4.2, before the Board approved of the Company's financial statements for the financial period ending 30 June 2023, the Board received a declaration from the CEO and Chief Financial officer (CFO) in accordance with section 295A of the Corporations Act 2001 (Cth) (Corporations Act) as well as assurance from those officers that the declaration was founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects.</p> <p>The Company complies with this Recommendation.</p>
<p>4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>The Company has established a Disclosure Team, which reviews all periodical corporate reports and announcements before they are disclosed to the market. The composition of the Disclosure Team and the verification and approval process for market release is outlined in the Company's Continuous Disclosure Policy, which is available at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company complies with this Recommendation.</p>
<p>5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy which is available at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company complies with this Recommendation.</p>

Corporate Governance Statement

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RECOMMENDATION	COMPANY'S CURRENT PRACTICE
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Company complies with this Recommendation.
5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company complies with this Recommendation.
6.1 A listed entity should provide information about itself and its governance to investors via its website.	<p>The Company has a website, https://investors.tesseract.com, which includes a 'Board of Directors', 'Annual Reports' and 'Corporate Governance' section where information about the Company, including its financial and corporate governance information can be accessed.</p> <p>The Company complies with this Recommendation.</p>
6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<p>The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board which is available at: https://investors.tesseract.com/site/about/corporate-governance.</p> <p>The Company provides investor presentations and conducts briefings in order to facilitate effective two-way communication with investors and other market participants. The Company provides a copy of the annual report to all shareholders who have requested to receive a hard copy and encourages investors to access the annual report online. The annual report contains relevant information about the Company's operations during the year, changes in the state of affairs and other disclosures required by the Corporations Act.</p> <p>The half year report contains summarised financial information and a review of Tesseract Group's operations during the period. The Company's corporate website provides all shareholders and the public access to our announcements to the ASX, and general information about the Company and our business.</p> <p>The Company complies with this Recommendation.</p>

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>All Shareholders are invited to attend the Company's annual meeting, either in person or by representative. The Board regards the annual meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditor.</p> <p>The Board is committed to monitoring ongoing developments that may enhance communication with shareholders, including technology developments that facilitate virtual and/or hybrid AGMs.</p> <p>The Company complies with this Recommendation.</p>
<p>6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>The Company complies with this Recommendation.</p>
<p>6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.</p> <p>The Company provides (and encourages) shareholders with the option to receive communications from, and send communications to, the Company and the Share Registry electronically, for reasons of speed, convenience, cost and environmental considerations.</p> <p>The Company complies with this Recommendation.</p>
<p>7.1 The board of a listed entity should:</p> <ol style="list-style-type: none"> a. have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	<p>The Company views effective risk management as a key component to achieving and maintaining its operational and strategic objectives. The identification and management of the Tesseract Group's risks are an important priority of the Board.</p> <p>The Company's risk management is assessed and managed by the Audit and Risk Management Committee (ARC) and governed by the Audit and Risk Management Charter, which may be viewed at: https://investors.tesseract.com/site/about/corporate-governance. Refer also to Recommendation 4.1.</p> <p>The ARC comprises two independent, non-executive directors and is chaired by independent director Megan Haas.</p> <p>The ARC met five times in FY23, which was attended by the two independent, non-executive director committee members.</p> <p>The Chair of the ARC also met separately with the external Auditor of the Group.</p> <p>The Company does not comply with this Recommendation.</p>

Corporate Governance Statement

continued

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>7.2 The board or a committee of the board should:</p> <ol style="list-style-type: none"> a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and b. disclose, in relation to each reporting period, whether such a review has taken place. 	<p>The Company has risk processes across the business and reviews these risks, and the risk management frameworks of the business, quarterly.</p> <p>The Company complies with this Recommendation.</p>
<p>7.3 A listed entity should disclose:</p> <ol style="list-style-type: none"> a. if it has an internal audit function, how the function is structured and what role it performs; or b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. 	<p>The Company does not have an internal audit function established. Management designs and implement risk management and internal control systems to manage the Company's material business risks and to report to the Board on whether those risks are being managed effectively.</p> <p>The Company does not comply with this Recommendation.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>A summary of key business risks is included in the Directors Report of the FY2023 Appendix 4E and Financial Report lodged at ASX on 30 August 2023.</p> <p>For the reporting period, the Company has not identified any material exposures to any environmental risks.</p> <p>In relation to social risks, the Company undertakes a risk assessment, highlighting potential social risks like labour practices, gender diversity, inclusive workplaces and cyber security – see section 1.5 above. To address these risks, we also delineated policies and procedures that can be accessed at https://investors.tesseract.com/site/about/corporate-governance, ensuring our actions are aligned with recognized social standards.</p> <p>The Company complies with this Recommendation.</p>
<p>8.1 The board of a listed entity should:</p> <ol style="list-style-type: none"> a. have a remuneration committee which: <ol style="list-style-type: none"> i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: <ol style="list-style-type: none"> iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a remuneration committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	<p>During the FY23 period the full Board undertook the role of the Committee as set out in its Charter.</p> <p>The Company does not comply with this Recommendation.</p>

RECOMMENDATION	COMPANY'S CURRENT PRACTICE
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The policies and practices regarding remuneration of Directors is set out in the Selection and Appointment of New Directors Policy. Full details of Director remuneration is included in annual reports. The Company complies with this Recommendation.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ol style="list-style-type: none"> a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b. disclose that policy or a summary of it. 	<p>Tesseract Group has an employee equity plan in place, which includes equity incentives. The rules of the plan prohibit participants from entering into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested awards under that plan.</p> <p>Similar restrictions are contained in the Company's Securities Trading Policy and apply to Officers of the Company, Key Management Personnel and direct reports of the CEO and the finance team. These parties are prohibited from trading in any securities of the company (or engaging in other specified behaviour) at any time when they are in possession of un-published sensitive information in relation to those securities.</p> <p>The Securities Trading Policy may be viewed in full at https://investors.tesseract.com/site/about/corporate-governance.</p> <p>As required by the ASX Listing Rules, the company notifies ASX of any transaction conducted by Directors in securities of the Company.</p> <p>The Company complies with this Recommendation.</p>
<p>9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	<p>This recommendation is not applicable to the Company given the current composition of the Board of Directors.</p>
<p>9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>This recommendation is not applicable to the Company.</p>
<p>9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>This recommendation is not applicable to the Company.</p>

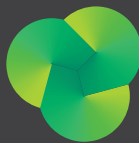
Corporate Governance Statement

continued

BOARD SKILLS/EXPERIENCE MATRIX

KEY SKILL	DEMONSTRATED BY ATTRIBUTES	BOARD EXPERIENCE
 Cyber industry experience	Sound knowledge of the structure, operations and opportunities in the Cyber Security industry.	
 Technology and digital innovation	Experience in developing setting and implementing digital innovation and technology strategies.	
 Risk management	Knowledge, background and experience in balancing commercial imperatives with agreed risk appetites, building organisational risk culture	
 Financial acumen	Proficiency in finance, including in financial accounting and reporting and capital management, including an ability to probe the adequacy of financial and risk controls	
 Strategy	Demonstrated experience in developing and implementing strategic opportunities to create long term value for shareholders.	
 M&A experience	Experience in identifying executing and integrating mergers and acquisitions to create long term value for shareholders.	
 ASX board and other relevant board experience	Exposure to relevant disclosure regimes, understanding of contemporary corporate governance practices.	
 Executive leadership	Experience in appointing and evaluating senior management, executive planning and monitoring corporate performance	
 International markets and trade	Experience in working in an organisation with global operations and understanding of political and regulatory requirements plus appreciation of market opportunities	
 Sustainability	Experience related to environmental, social and community responsibility	

Approved by the Board of Directors of Tesserent Limited



TESSERENT LIMITED

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