

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 **Hawthorn Arts Centre, Zelman Room, 360 Burwood Road, Hawthorn Victoria**, at 9.30 am AEDT on 23 November 2016.

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 2016.

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/tesseren-annualreport. 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 2016 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 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 cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP. If the proxy is the Chairman, and the proxy does not specify the way in which the proxy should vote, the Chairman 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 ROTATION AND BY OPERATION OF THE CONSTITUTION

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:

- 2.1 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Russell Yardley be re-elected as a director.*
- 2.2 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Paul Brandling be re-elected as a director.*
- 2.3 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Steve Bertamini be re-elected as a director.*
- 2.4 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Greg Baxter be re-elected as a director.*

Short Explanation

The Company's Constitution requires one third of the directors (other than the Managing Director) to retire at each Annual General Meeting, being the directors longest in office since being re-elected by Shareholders at the date of the Annual General Meeting. It also requires any director appointed during the year to retire at the first AGM held after their election. As this is the first AGM of the Company, All directors other than the Managing Director must therefore retire and have offered themselves for re-election.

Details of the Directors are contained in the Directors' Report section of the Annual Report.

RESOLUTION 3 – APPOINTMENT OF AUDITOR

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

For the purposes of section 327(3) of the Corporations Act 2001 (Cth) and for all other purposes, BDO East Coast Partnership, having consented in writing to act as auditors of the Company, be re-appointed as auditors of the Company

Short Explanation

The Company has appointed BDO East Coast Partnership (BDO) as auditor. Shareholders are required to confirm that appointment at the first AGM of the Company under s327(3) of the Corporations Act. A nomination of auditor signed by a member of the Company is attached to this Notice of Meeting.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SECURITIES

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

That in accordance with ASX Listing Rule 7.4, the Company approves and ratifies the issue and allotment of 12,875,000 fully paid Shares to the entity described in Table 1 of the Explanatory Statement.

Short Explanation

Tesseract has issued 12,875,000 Shares to the entity described in Table 1 of the Explanatory Statement, on the date set out in the Explanatory Statement. Funds raised have been used for the purposes set out in the Explanatory Statement.

Under ASX Listing Rule 7.1, the Board may issue up to 15% of its issued capital without Shareholder approval each 12 months. The Shares described above were issued without Shareholder approval and were within this limit. Under the ASX Listing Rules, the Company can seek Shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the Shares 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.

The purpose of Resolution 4 is to seek this ratification.

RESOLUTION 5 – APPROVAL TO ISSUE SECURITIES

To consider and, if thought fit, to pass the following Resolutions as ordinary resolutions:

- 5.1 *That pursuant to ASX Listing Rule 7.1, the Company approves the issue and allotment of the Blue Reef Securities to the entities set out, and on the terms described in, paragraph 6.2 and Appendix A of the Explanatory Statement, and the issue of Shares on exercise of the Blue Reef Securities.*
- 5.2 *That pursuant to ASX Listing Rule 7.1, the Company approves the issue and allotment of the Employee Securities to the entities set out, and on the terms described in, paragraph 6.4 and Table 3 of the Explanatory Statement, and the issue of Shares on exercise of the Employee Securities.*

Short Explanation

The Company has agreed, subject to shareholder approval, to issue the securities set out in paragraph 6 of the Explanatory Statement. This resolution seeks that approval under Listing Rule 7.3. The securities concern:

- The acquisition of the business of Blue Reef as announced to ASX on 6 May 2016; and
- Incentives as part of the employment agreements with certain Tesseract employees.

Further details of these resolutions are set out in the attached Explanatory Statement. Capitalised terms are defined in that document.

By order of the Board:



Oliver Carton
Company secretary
Dated: 12 October 2016

NOTES

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

1. A Member entitled to attend and vote at the Annual General Meeting has the right to appoint a person (who does not need to be a Member) as the Member's proxy to attend and vote at the meeting.
2. A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise one half of the Member's votes.
3. The proxy form must be signed by the Member or the Member's attorney. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.
4. To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged:
 - (a) at the offices of the Share Registry – Computershare Investor Services Pty. Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia;
 - (b) by faxing it to the Share Registry office on fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
 - (c) online: www.investorvote.com.au;
 - (d) for Intermediary online subscribers **only** (custodians) - electronically at www.intermediaryonline.com.

not later than 48 hours before the time for commencement of the meeting being **9.30 am AEDT on 21 November 2016**.

5. A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed 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 they think fit.
6. Amendments to the Corporations Act have been made recently which apply to proxy voting. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:
 - (a) if proxy holders vote, they must cast all directed proxies as directed; and
 - (b) any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote as the proxies as directed.
7. A proxy form accompanies this Notice of Meeting.
8. The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.

9. By appointing the Chairman of the meeting as your proxy in relation to Resolution 1 you expressly authorise the Chairman to vote in favour of Resolution 1 unless:
 - (a) you direct the Chairman to vote against or to abstain from voting on the resolution; or
 - (b) you are a Member of the key management personnel of the Company and its subsidiaries, details of whose remuneration are included in the remuneration report for the financial period (**KMP**).
10. The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.
11. A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Act or Power of Attorney only if a copy of that duly executed appointment or Power of Attorney is lodged with the Share Registry or produced prior to the commencement of the meeting.
12. The Company has determined that a person's entitlement to vote at the Annual General Meeting will, in accordance with the Corporations Act, be the entitlement of that person set out in the register of Shareholders as at 7:00 pm 21 November 2016. This means that any Shareholder registered at 7:00 pm on 21 November 2016 is entitled to attend and vote at the Annual General Meeting.
13. Shareholders or their attorneys wishing to vote in person should attend the Annual General Meeting.
14. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting, unless it had already been provided to the Share Registry.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the Resolution proposed to be considered at the Annual General Meeting.

1 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 2016.

Shareholders who have elected not to receive a hard copy of the Company's 2016 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.

2 RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, listed companies are required 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 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. The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. The two strikes rule provides that 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.

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

As stated the Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of:

- (a) a KMP; or
- (b) a Closely Related Party of a KMP.

3 RESOLUTION 2 – RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF THE CONSTITUTION

The Tesserent Constitution requires directors appointed during the year to retire and offer themselves for election at the first AGM following their appointment. The Constitution also requires one third of Directors, other than the Managing Director, to retire at each Annual General Meeting. Those directors are eligible to be elected by Shareholders. As this is the first Annual General Meeting of the Company, all directors other than the Managing Director, are impacted by this rule and will retire and offer themselves for re-election.

The details and experience of are set out in the Directors' Report section of the Annual Report.

The Directors recommend that all Shareholders vote in favour of these resolutions. The Chairman intends to vote open proxies in favour of it.

4 RESOLUTION 3 – APPOINTMENT OF AUDITOR

The Company appointed BDO East Coast Partnership (BDO) as auditor shortly after incorporation following a competitive tender.

Shareholders are required to confirm that appointment at the first AGM of the Company under s327(3) of the Corporations Act. As this is the first AGM, this resolution seeks that confirmation. BDO has consented in writing to the appointment.

The Directors recommend that shareholders approve the appointment. A nomination of auditor signed by a member of the Company is attached to this Notice of Meeting as Annexure B.

5 RESOLUTION 4 – RATIFICATION OF ISSUE OF SECURITIES

5.1 Summary of proposal

As previously announced to the market on 6 May 2016, the Company has acquired the business of Blue Reef Pty Ltd (**Blue Reef**). The consideration paid was \$3,575,000, made up \$1.0 million in cash (\$500,000 to be paid on completion of the deal, with two subsequent payments of \$250,000 in six months and twelve months, respectively) and a placement of 12,875,000 Shares valued at \$0.20 per Share (of which 75% were escrowed for 24 months) (**Placement**). The Shares were issued to Blue Reef Pty Ltd, which changed its name to PBCF Pty Ltd.

It was also agreed to issue 1,500,000 Blue Reef Securities to Robert Smyth which are detailed in paragraph 6. Mr Smyth controls PBCF Pty Ltd.

This resolution seeks ratification of the issue of Shares under the Placement for the reasons set out in paragraph 5.2(a) below. Shareholders should read the announcement made to ASX on 6 May 2016 for further information.

The Board recommends that Shareholders ratify the issue of Shares. The Board notes that the issue price under the Placement matches the price of Shares offered to Shareholders under the Company's IPO, and that the acquisition of Blue Reef's business is an important part of the Company's strategic objectives.

Further details of the acquisition and Blue Reef are set out in the announcement on 6 May 2016.

5.2 Listing Rule requirements for Resolution 4

5.2(a) ASX Listing Rule 7.4

Listing Rule 7.4 enables the Company to ratify an issue of Shares made without prior Shareholder approval under Listing Rule 7.1 if:

- (a) the issue of Shares did not breach Listing Rule 7.1; and
- (b) Shareholders subsequently approve the issue of those Shares by the Company.

In general terms, Listing Rule 7.1 allows the Company to issue up to 15% of its issued capital without the need for approval from Shareholders, with some exceptions. Under the ASX Listing Rules, Teserent can seek Shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the Shares 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.

The Placement was within the Company's capacity under ASX Listing Rule 7.1. The Placement therefore did not breach Listing Rule 7.1. The Directors seek approval and ratification from Shareholders under Listing Rule 7.4 for the issue of the Shares set out in the table below.

5.2(b) ASX Listing Rule 7.5

ASX Listing Rule 7.5 lists information which must be contained in the Notice of Meeting and Explanatory Statement where Shareholders will consider a resolution under ASX Listing Rule 7.4. This information is set out below:

Table 1

Maximum No of Shares	12,875,000 Shares
Issue Date	26 May 2016
Issue price per Share	\$0.20
Allottee	PBCF Investments Pty Ltd
Terms of the Shares	The Shares are fully paid ordinary shares in the Company and rank equally with existing Shares on issue. Of the Shares 3,218,750 Shares are unescrowed and 9,656,250 Shares are held in voluntary escrow for a period of 24 months and will be released on 12 May 2018.
Use or intended use of funds raised	Part consideration for the business of Blue Reef
Allotment Date	26 May 2016

5.3 Director recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. The Chairman of the Meeting intends to vote any undirected proxies (for which he has been appointed as proxy for the Meeting) in favour of it.

5.4 Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by PBCF Investments Pty Ltd, which has participated in the Placement, or any associate of PBCF Investments Pty Ltd. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL TO ISSUE SECURITIES

6.1 Summary of proposal

Resolution 5 concerns approval by shareholders to issue certain securities. The Company has agreed to issue those securities but subject to first obtaining that approval. The securities concern:

- 1,500,000 options to be issued as part of the acquisition of Blue Reef (**Blue Reef Securities**); and
- 3,850,000 rights to deferred Shares issued as incentives as part of the employment agreement with certain Tesserent employees (**Employee Securities**).

6.2 Resolution 5.1 - Blue Reef Securities

As announced to the market on 6 May 2016, and discussed in paragraph 5 above, Tesserent agreed to issue the Blue Reef Securities to Robert Smyth as part of the consideration for the acquisition of the Blue Reef business.

Details of the Blue Reef Securities are set out in Table 2

Table 2

Number	Type	Exercise price	Deemed Issue Date *	Vesting date *	Expiry date
500,000	Call option	\$0.30	6 May 2016	25 November 2016	6 May 2019
500,000	Call option	\$0.40	6 May 2016	25 November 2016	6 May 2019
500,000	Call option	\$0.50	6 May 2016	25 November 2016	6 May 2019

* subject to shareholder approval

The issue of the Blue Reef Securities aligns the interests of Mr Smyth with those of shareholders given that the exercise price is significantly higher than the issue price of Shares at the Company's IPO (20c) and the market price of Shares on the issue date (18c).

6.3 Other terms of Blue Reef Securities

Other terms of the Blue Reef Securities are set out in Appendix A.

6.4 Resolution 5.2 - Employee Securities

Tesseract has, subject to Shareholder approval, issued rights to deferred Shares to the employees set out in Table 3 (**Employee Securities**). Rights to deferred Shares are outlined in the respective employment agreements for each employee. The Shares vest once the performance conditions are met, as set out in Table 3. On vesting each right automatically converts into one ordinary share. The employees do not receive any dividend and are not entitled to vote in relation to the Employee Securities during the vesting period. If an executive ceases employment before the rights vest, the Employee Securities will be forfeited.

The value of the Employee Securities is set out in Table 3 and determined and expensed by the value of Tesseract's Shares at the grant date. The current remuneration and other employment conditions of the employees are set out in the Remuneration Report section of the Annual Report for the financial year ended 30 June 2016.

In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights attaching to the Employee Securities including the number of rights shall be reorganised (as appropriate) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Table 3

KMP	Deferred Shares	Performance conditions	Expense	Grant Date#	Share price at Grant Date	Vesting Date*	Exercise Price
N Conolly	700,000	Continued employment	16,000	9 May 2016	\$0.16	8 May 2017	Nil
N Conolly	700,000	Continued employment	7,989	9 May 2016	\$0.16	8 May 2018	Nil
N Conolly	700,000	Continued employment	5,324	9 May 2016	\$0.16	8 May 2019	Nil
K Hansen	250,000	Achievement of sales targets	1,678	16 June 2016	\$0.17	30 June 2017	Nil
K Hansen	500,000	Achievement of sales targets	1,711	16 June 2016	\$0.17	30 June 2018	Nil
K Hansen	1,000,000	Achievement of sales targets	2,297	16 June 2016	\$0.17	30 June 2019	Nil

deemed date subject to shareholder approval

* subject to achievement of performance conditions

6.5 ASX Listing Rule 7.1 and 7.3

ASX Listing Rule 7.1 allows shareholders to approve an issue of securities in the future. ASX Listing Rule 7.3 requires the Notice of Meeting and Explanatory Memorandum for a general meeting at which shareholders are required to consider a resolution pursuant to ASX Listing Rule 7.1 to include certain specified information in relation to the equity securities proposed to be issued.

6.6 Resolution 5.1

Concerning Resolution 5.1, the information required by the Listing Rules is set out below:

- (a) The maximum number of securities to be issued – 1,500,000 call options which will convert into 1,500,000 Shares.
- (b) The date by which the securities will be issued – the Blue Reef Securities will be issued no later than 1 month from the date of this meeting. Shares on conversion of the Blue Reef Securities will be issued before their Expiry Date in Table 2 if the Blue Reef Securities are exercised.
- (c) The issue price of the securities – nil.
- (d) The names of the allottees (if known) or the basis upon which the allottees will be determined – See Table 2.
- (e) The terms of the securities – See Table 2 and Appendix A.
- (f) The intended use of the funds – the Blue Reef Securities were agreed to be issued as part consideration for the acquisition of the Blue Reef business.
- (g) The dates of allotment or a statement that allotment will occur progressively – see item 6.6(b).
- (h) A voting exclusion statement – see paragraph 6.9.

6.7 Resolution 5.2

Concerning Resolution 5.2, the information required by the Listing Rules is set out below:

- (a) The maximum number of securities to be issued – see Table 3.
- (b) The date by which the securities will be issued – the Employee Securities will be issued no later than 3 months from the date of this meeting and will have a deemed issue date as set out in table 3, subject to shareholder approval being obtained. Shares on exercise of the Employee Securities will be issued on the dates set out in Table 3 provided they have vested.
- (c) The issue price of the securities – nil.
- (d) The names of the allottees (if known) or the basis upon which the allottees will be determined – See Table 3.
- (e) The terms of the securities – See Table 3 and paragraph 6.4.
- (f) The intended use of the funds – no funds will be raised by the issue of the Employee Securities.
- (g) The dates of allotment or a statement that allotment will occur progressively – see item 6.7(b).
- (h) A voting exclusion statement – see paragraph 6.9.

6.8 Directors' recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 5.1 and 5.2 for the reasons set out in this Explanatory Statement.

Each Director who is able to control the voting rights in relation to Shares intends to vote those Shares, or procure that those Shares are voted in favour of Resolution 5.1 and 5.2.

The Chairman of the Meeting intends to vote any undirected proxies (for which he has been appointed as proxy for the Meeting) in favour of Resolution 5.1 and 5.2.

6.9 Voting exclusion statement

The Company will disregard any votes cast on Resolution 5.1 by Robert Smyth or any associate of Mr Smyth (including PBCF Investments Pty Ltd). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will disregard any votes cast on Resolution 5.2 by the persons referred to in Table 3, or any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. GLOSSARY

In this booklet:

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it as the context requires.

Blue Reef Securities means the securities described on paragraph 6.2 and Appendix A.

Board means the board of directors of the Company.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Employee Securities means the securities described in paragraph 6.4 and Table 3.

Listing Rules means the listing rules of ASX.

Notice of Meeting means this notice of meeting and explanatory statement.

Share means a fully paid ordinary share in the Company.

Shareholder or Member means a holder of at least one Share.

Attachment A – Additional Terms and Conditions of Blue Reef Securities

Each option (**‘Option’**) shall entitle the holder of the Option (**‘Option Holder’**) to subscribe for and be allotted one fully paid ordinary share (**‘Share’**) in Tesserent Limited (**‘Company’**) on the terms and conditions set out below. Options are issued subject at all times to the Rules set out below:

1. Each Option is exercisable at any time from the date of vesting to a date up to and including the lapse date as set out in the Option Certificate (**‘Option Period’**) and if the Option is not exercised on or prior to the expiry of the Option Period, the Option shall automatically lapse.
2. The Options may be exercised wholly or in part by giving notice in writing (**‘Notice of Exercise’**) to the board at any time during the Option Period.
3. Within 10 business days of the exercise of the Option the Company shall apply for the shares to be admitted for quotation on the Official List of Australian Stock Exchange Limited if the Company is a listed entity.
4. The exercise price for the Options is the amount shown on the Option Certificate (**‘Exercise Price’**) and is payable immediately on exercise.
5. On receipt by the Company of the Notice of Exercise and payment of the relevant Exercise Price, the Company must, within 10 business days, issue to the Option Holder the number of Shares in respect of which the Option is exercised and despatch the relevant share certificate or other appropriate acknowledgment as soon as reasonably practicable thereafter.
6. Shares issued on the exercise of any Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the Company and will be subject to the provisions of the Constitution.
7. An Option does not confer rights to participate in new issues of securities of the Company, unless the Option Holder has first exercised the Option.
8. Adjustments to the number of shares over which Options exist and/or the Exercise Price will be made to take account of changes to the capital structure of the Company by way of pro rata bonus and cash issues as follows:
 - (a) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of shares received will include the number of bonus shares that would have been issued if the Options have been exercised prior to the record date for bonus issues. The exercise Price will not change.
9. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder including the number of options or the Exercise Price or both shall be reorganised (as appropriate) to the extent necessary to comply with the Listing Rules of Australian Stock Exchange Limited applying to a reorganisation of capital at the time of the reorganisation.

10. If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the *Corporations Act*) is made to holders of shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying each Option Holder has 60 days within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options. If the Options are not exercised within 60 days after notification of the offer, the Options may be exercised at any other time according to their terms of issue.
11. If an offer for the shares is made to shareholders of the Company pursuant to a scheme of arrangement which has been approved in accordance with *Corporations Act*, Option Holders will be entitled to exercise Options held by them within the period notified by the Company.
12. The Options are not transferable except with the prior written consent of the Company. If the Company consents to the transfer of the Options, the Company may impose any conditions, including a condition that the transferee agree to be bound by the above terms and conditions, that in its sole discretion determines to be appropriate.
13. Notices may be given by the Company to the Option Holder in the manner prescribed by the constitution of the Company for the giving of notices to the Shareholders of the Company and the relevant provisions of the constitution will apply with all necessary modification to notices to be given to Option Holders.

Attachment B – Nomination of Auditor

Oliver Carton
Company secretary
Tesseract Limited
683 Burke Rd
Camberwell VIC 3124

Dear Oliver

Nomination of auditor

We, GRAND FLORIDIAN PTY LTD <KM & AS GLENNAN FAMILY A/C>, being a member of Tesseract Limited (**Company**), hereby nominate BDO East Coast Partnership as auditor of the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Keith Glennan', with a long horizontal flourish extending to the right.

Keith Glennan
Director

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
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TNT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 9.30 am (AEDT) Monday, 21 November 2016**

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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

IND

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 Hawthorn Arts Centre, Zelman Room, 360 Burwood Road, Hawthorn, Victoria on Wednesday, 23 November 2016 at 9.30 am (AEDT) 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2 below.

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
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.1 Russell Yardley be re-elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.2 Paul Brandling be re-elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.3 Steve Bertamini be re-elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.4 Greg Baxter be re-elected as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.1 Approval to issue Securities - Blue Reef Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.2 Approval to issue Securities - Employee Securities	<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

219935A

Computershare +



TESSERENT

ABN 13 605 672 928



TNTRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Tesseract Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESSE environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESSE are also updated.

Yours sincerely

Tesseract Limited