



TRADING POLICY

Tesseract Limited ACN 605 672 928 (“Company”)

1. What is this policy and who does it apply to

This document contains the Company’s policy relating to trading in the Company’s Securities by the Company’s Key Management Personnel (or KMP’s as defined in section 2 below).

2. Key definitions

Black-out Periods	means: <ul style="list-style-type: none">• from 12.01am AEDT on 1 December to 10.00am on the ASX trading day after the day on which the Company’s half-year results are released to the ASX; and• from 12.01am AEDT on 1 June to 10.00am on the ASX trading day after the day on which the Company’s full-year results are released to the ASX.
Chairman	means the chairman of the Company.
Company Secretary	means the company secretary of the Company.
Company Securities	means Securities issued by the Company.
KMP	has the same meaning as in the Accounting Standards (AASB 124 Related Party Disclosures) being those persons having authority, responsibility for planning, directing and controlling activities of the Company, directly or indirectly, including any Director and any senior executive of the Company (whether executive of or otherwise).
Securities	means the shares, debentures, an option over issued shares or renounceable rights to subscribe for shares or options over unissued shares and a financial product traded under ASX’s rules.

3. Insider trading provisions

Under Australian law, if you possess non-public or inside information in relation to a Security that may reasonably be expected to have a material effect on the price or value of that or a related Security, you are regarded as an ‘insider’ and you must not:



TRADING POLICY

- (a) apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities;
- (b) procure, incite, induce or encourage another person to apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities; or
- (c) directly or indirectly communicate the information or cause the information to be communicated to another person who you know or ought reasonably to know would or would be likely to:
 - (i) apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities; or
 - (ii) procure, incite, induce or encourage another person to apply for, acquire, dispose of (or enter into an agreement to apply for, acquire or dispose of) those Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of a Security if the information would or would be likely to influence persons who regularly trade such Securities in deciding whether or not to acquire or dispose of such Securities.

Examples of inside information may include the following in respect of a company, scheme or other entity to which a security relates:

- (a) proposed action in the form of distribution payments, bonus or new issues;
- (b) proposed major purchases or disposals of assets;
- (c) unpublished financial results; and
- (d) proposed changes to the general character or nature of the business conducted.

Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. The Company may also be liable if an employee or officer engages in insider trading. Any perception of improper conduct by key management personnel also has the potential to substantially damage the Company's reputation.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.



TRADING POLICY

4. General trading rules

All parties to which this policy applies are prohibited from trading in Company Securities at any time when they are in possession of any inside information, irrespective of whether this policy provides that trading can occur outside a Black-out Period, or whether it is excluded from the operation of this policy.

As a general policy KMP's:

- (a) need to ensure that the market is fully informed before they trade in Company Securities; and
- (b) are encouraged to be long-term holders of Company Securities and are discouraged from short term trading.

Trading by KMP's must be conducted in accordance with the following general rules:

- (a) You must not trade or recommend others to trade on the basis of inside information.
- (b) You must not procure, incite, induce or encourage another person to trade on the basis of inside information.
- (c) You must not directly or indirectly communicate inside information or cause that inside information to be communicated to another person, if you know, or ought reasonably to know, that the other person would, or would be likely to trade or procure another person to trade based on the inside information.
- (d) You must put the interests of the Company before your own interests.
- (e) You must not make use of your position or information acquired by virtue of your position to gain, directly or indirectly, an improper advantage for yourself or for any other person.
- (f) You must keep a record of your trading for the purposes of verifying compliance with this policy.



TRADING POLICY

5. Specific rules for dealing with Company Securities

5.1 Black-out Periods

In addition to the general prohibition against insider trading set out in section 3, there are certain times during the year that, given proximity to the release of financial results, no KMP should trade in Company Securities. These periods are the Black-out Periods.

5.2 Excluded Trading

The following trading is specifically excluded from the operation of this policy:

- (a) transfers of Company Securities between a KMP and someone closely related to the KMP (such as a spouse, minor, child or trust) or by a KMP to their superannuation fund; and
- (b) disposal of Company Securities arising from a takeover, scheme of arrangement or equal access buy-back;
- (c) a disposal of rights acquired under a pro-rata issue;
- (d) an acquisition of Company Securities under a pro-rata issue;
- (e) an acquisition of Company Securities under a security purchase plan or a dividend distribution reinvestment plan where:
 - (i) the KMP did not enter into or amend the plan during a Black-out Period; and
 - (ii) this policy does not permit the KMP to withdraw from the plan during a prohibited period except in exceptional circumstances.
- (f) indirect and incidental trading that occurs as a consequence of a KMP dealing in securities issued by a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio of Company Securities;
- (g) an acquisition of Company Securities under an employee incentive scheme; and
- (h) an acquisition or disposal of Company Securities under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with this policy and where:
 - (i) the KMP did not enter into or amend the plan during a Black-out Period;



TRADING POLICY

- (ii) the plan does not permit the KMP to exercise any discretion over how, when or whether to acquire or dispose of securities; and
- (iii) this policy does not permit the KMP to withdraw from the plan during a prohibited period except in exceptional circumstance.

5.3 Exceptional Circumstances

Except where a person is in possession of inside information or potentially inside information, if any KMP wishes to trade during a Black-out Period, it must submit a written request to the Board to trade outside of this policy and satisfy the Board that exceptional circumstances exist and a failure to trade in Company Securities would result in exceptional circumstance.

What is exceptional circumstances will be determined on a case by case basis at the discretion of the Board. Examples include without limitation:

- (a) cases of severe financial hardship;
- (b) the existence of a court order or court enforceable undertaking;
- (c) an overriding legal or regulatory requirement; or
- (d) circumstances which are determined by the Board to be 'exceptional circumstances'.

Requests to deal in exceptional circumstances must be made in writing setting out the relevant circumstances and forwarded to the Company Secretary to then be provided to the Board who will make the decision as a whole. It is the Company's intention that all requests will be answered in writing within 48 hours.

The Board will make a decision to permit any clearance to trade under this section 5.3 in its sole discretion and the Board does not need to provide reasons for their decision. A decision by the Board to permit KMP to trade during a Black-out Period is not an endorsement of the proposed trade by the Board.

It is up to the individual seeking approval to trade to satisfy the Board that their circumstances are exceptional and that the proposed trade of the relevant Company Securities is the only reasonable course of action available. Any clearances to trade that are provided by the Company must be in writing and clearly state the period for which the clearance to trade is valid, which will typically be a short period of time reflecting the fact that it is being given to facilitate trading in exceptional circumstances where the KMP would otherwise be included. Electronic clearance via email is acceptable for the purposes of compliance with this policy.

The Company Secretary must keep a record of all approved clearances to trade and copies of all applications by KMP's for clearances under this policy.



TRADING POLICY

If the Board refuses to grant clearance to a KMP, that decision is final and binding on the KMP seeking clearance. All decisions of the Board to grant a clearance to trade must be kept confidential by KMP seeking clearance from the Board.

For the avoidance of doubt, a person who possess inside information will be prohibited from trading in Company Securities even where permission to trade in Company Securities has been given because of exceptional circumstances.

6. Reporting

If a KMP becomes aware of circumstances which may appear to an outside observer to indicate that a trade in Company Securities has taken place that would or may involve a breach of the insider trading laws, this should immediately be brought to the attention of the Company Secretary, who will give consideration to what steps may be required to address any reputational or other adverse effects on the Company.

7. Notification and clearance

- (a) If a KMP intends to trade in Company Securities, it must give prior written notice of any proposed trade to the Company Secretary. This notice must include a statement that the party does not have in its possession any inside information.
- (b) Within 1 day of each trade in the Company Securities, the KMP must advise the Company Secretary of the number of Company Securities bought or sold and the date of the trade.
- (c) Directors must provide details of transactions involving Company Securities to the Company Secretary within 1 day of the transaction for the purpose of enabling the Company to comply with its obligations under the ASX Listing Rules.
- (d) Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in Company Securities. Notification is effected by the Company notifying the ASX in accordance with Listing Rule 3.19A.
- (e) Any trading by a Director during a Black-out Period will required the Company to state on the Appendix 3Y whether the trading occurred during a Black-out Period and if prior written clearance was provided and if so on what date.

8. Awareness and understanding

All KMP's will be educated on the contents of this policy on a recurring basis to emphasise the importance of not improperly or inadvertently divulging confidential or



TRADING POLICY

inside information, or dealing in Company Securities while in possession of confidential or inside information.

The Company must ensure that any contractual arrangements with its KMPs include an obligation to comply with this policy and ensure that all KMPs are provided with a copy of this policy prior to commencing service with the Company.

9. Margin lending

- (a) The Company does not encourage employees to engage in margin lending practices on Company Securities.
- (b) Directors and Officers are required to advise the Board, via the Company Secretary, where they have entered arrangement which could force a sale of Company Securities.
- (c) Under ASX Listing Rule 3.1 there will be additional disclosures required.

10. Breach and Enforcement

Any breach of this policy must be immediately advised to the Company Secretary, who in turn will report to the Board. A breach of this policy will be treated as a serious matters which may warrant an investigation as to the circumstances of the breach and depending on the circumstances may result in disciplinary action.

11. Policy review

This policy is subject to annual review by the Board.

In accordance with Listing Rule 12.10, the ASX Market Announcements must be informed of any material changes to this policy within five business days of the change taking effect.