

19 October 2021

Dear Shareholders

**Tesseract Limited AGM**

The Notice of AGM of Tesseract Limited (**Tesseract or the Company**) to be held by videoconference on 19 November 2021 at 11.00 am Melbourne time is now available at <https://investors.tesseract.com/site/investor-information/generalmeetings>

Safety of our shareholders and staff is our paramount concern. With the COVID-19 pandemic resulting in ongoing health concerns and government restrictions on gatherings and travel, we will hold the meeting by way of live video conference. There will be no physical meeting.

The consequences of this are as follows:

1. If you wish to attend the virtual AGM, you must register at <https://go.tesseract.com/tnt-agm-2021> at least 24 hours prior to the meeting. You will then be sent a link to the meeting webcast;
2. We will provide an opportunity to ask questions and comment at the meeting however there may be connectivity and other issues during the video conference. Therefore, we recommend that any questions concerning the business of the meeting are submitted to [investor@tesseract.com](mailto:investor@tesseract.com) in advance of the meeting;
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.
4. Due to the virtual nature of the Meeting, Computershare, the Company's share registry, will be facilitating voting during the Meeting. If you wish to cast your vote during the Meeting, you will need to visit **[web.lumiagm.com/346073387](http://web.lumiagm.com/346073387)** on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible. For further instructions on how to participate online please view the online meeting user guide at **[www.computershare.com.au/onlinevotingguide](http://www.computershare.com.au/onlinevotingguide)**.

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



Yours sincerely

Oliver Carton

Company Secretary

**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 by videoconference at 11.00 am Melbourne time on 19 November 2021.

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**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 2021.

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

**RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

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

*That the Remuneration Report contained in the Directors' Report for the financial period ended 30 June 2021 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 2021 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 OPERATION OF THE CONSTITUTION AND ELECTION**

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

*That, having been appointed during the year and retired as required by the ASX Listing Rules, Ms Megan Haas be elected as a director.*

### **Short Explanation**

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

The ASX Listing Rules also require a director appointed during the year to retire at the first Annual General Meeting held after their election. Ms Haas was appointed as a director during the year. She must therefore retire and has offered herself for re-election.

## **RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

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

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

### **Short Explanation**

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

## **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES OF SECURITIES**

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

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

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

### **Short Explanation**

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

### **Voting Exclusion Statement**

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

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

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

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

### **Short explanation**

The Board adopted an Employee Share Option Plan (**ESOP**) on 12 October 2018 to assist in the reward, retention and motivation of employees. ASX Listing Rule 7.1 requires approval from shareholders for issues of securities in excess of 15% of the issued capital. There are a number of exceptions to this set out in ASX Listing Rule 7.2, including Exception 13, which allows the issue of securities to an employee incentive plan such as the ESOP, provided that shareholders have approved the issue of securities within the last three years. That approval is the purpose of Resolution 5.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by a person who is eligible to participate in the ESOP. However, the Company will not disregard a vote if 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 it is cast by the person changing 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.

**RESOLUTION 6 – CHANGES TO CONSTITUTION - VIRTUAL GENERAL MEETINGS AND NOTICES TO SHAREHOLDERS**

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

*That, in accordance with section 136(2) of the Corporations Act, the Company's Constitution be amended as set out in section 6.2 of the Explanatory Statement with effect from the close of the meeting.*

**Short Explanation**

There is draft legislation to amend the Corporations Act which, if passed as drafted, will in future permit a company to hold shareholder meetings conducted wholly using virtual meeting technology 'if this is required or permitted by the company's constitution'. The Constitution amendments are proposed to allow the Company to have greater flexibility to hold meetings using virtual meeting technology. The proposed Constitution amendments will also clarify when a notice to shareholders that is given by providing sufficient information to access that notice electronically is taken to be given.

**EXPLANATORY STATEMENT**

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

**By Order of the Board**



Oliver Carton  
Company secretary

19 October 2021

## VOTING ENTITLEMENTS

In accordance with section 1074E(2)(g) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), persons holding shares at 7.00 pm (Melbourne time) on 17 November 2021 will be treated as Shareholders. This means that if you are not the registered holder of a relevant Share at that time you will not be entitled to attend and vote in respect of that Share at the meeting.

## PROXIES

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

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

To be effective, the Company must receive the completed Proxy Form signed by the Shareholder and, if the form is signed by the Shareholder's attorney or authorised officer of a corporation, the authority under which the Proxy Form is signed (or a certified copy of the authority) by no later than 11.00 am (Melbourne time) on 17 November 2021, by post or fax to the Company's share registrar, Computershare Investor Services Pty Limited, as listed below.

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

## BODY CORPORATE REPRESENTATIVES

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

## VOTING BY PROXIES

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

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

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

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

### **UNDIRECTED PROXIES**

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

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

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

# EXPLANATORY STATEMENT

## INTRODUCTION

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

## FINANCIAL STATEMENTS AND REPORT

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the financial period ended 30 June 2021.

Shareholders who have elected not to receive a hard copy of the Company's 2021 Annual Report can view or download a copy from the Company's website at [www.tesseract.com.au](http://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.

### 1 RESOLUTION 1 - REMUNERATION REPORT

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

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

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

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

ASX Listing Rule 14.4 requires a director appointed during the year to retire at the first Annual General Meeting held after their appointment. Ms Haas was appointed as a director during the year. She must therefore retire and has offered herself for re-election.

Details of the Ms Haas are contained in the Directors' Report section of the Annual Report. The Directors recommend that all Shareholders vote in favour of this resolution. The Chairman intends to vote open proxies in favour of it.



### 3 RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

#### 3.1 General

1. ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).
2. The Company is an Eligible Entity.
3. If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 4.2 below).
4. The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue on the date of issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1, being a total of 25% of the Company's fully paid ordinary securities on issue.
5. If resolution 3 is not passed, the Company will not be able to access the additional 10% placement capacity in Listing Rule 7.1A and will be limited to its placement capacity under Listing Rule 7.1 without first obtaining shareholder approval.
6. Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### 3.2 ASX Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

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

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

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

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

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

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

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
  - plus the number of Shares issued in the relevant period on conversion of convertible securities within Rule 7.2 exception 9 where:

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

**D** is 10%.

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

Relevant period means:

- If the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

### **3.3 Technical information required by ASX Listing Rule 7.1A**

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

#### **3.3.1 Minimum Price**

Any Equity Securities issued under Rule 7.1A.2 must be in an existing quoted class of the eligible entity's quoted securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

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

#### **3.3.2 Date of Issue**

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

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

**(10% Placement Capacity Period).**

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

### 3.3.3 Risk of voting dilution

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

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

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 6 October 2021.

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

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.11 50% decrease in Issue Price	\$0.22 Issue Price	\$0.33 50% increase in Issue Price
<b>1,206,351,077 (Current)</b>	<b>10% Voting Dilution</b>	<b>120,635,107</b>	120,635,107	120,635,107
	<b>Funds raised</b>	\$13,269,861.77	\$26,539,723.54	\$39,809,585.31
<b>1,809,526,615 (50% increase)</b>	<b>10% Voting Dilution</b>	180,952,661	180,952,661	180,952,661
	<b>Funds raised</b>	\$19,904,792.71	\$39,809,585.42	\$59,714,378.13
<b>2,412,702,154 (100% increase)</b>	<b>10% Voting Dilution</b>	241,270,215	241,270,215	241,270,215
	<b>Funds raised</b>	\$26,539,723.65	\$53,079,447.30	\$79,619,170.95

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

The table above uses the following assumptions:

- There are currently 1,206,351,077 Shares on issue.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The issue price set out above is the price of the Shares on the ASX on 6 October 2021.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity being 10% of the Company's issued capital on the date of issue.

- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.

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

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

Shareholders should note that there is a risk that:

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

### **3.3.4 Purpose of Issue under 10% Placement Capacity**

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

### **3.3.5 Allocation policy under the 10% Placement Capacity**

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

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

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

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

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

### **3.3.6 Previous Approval under ASX Listing Rule 7.1A**

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

During the 12 months prior to the date of this meeting, the Company issued 100,000,000 equity securities under Listing Rule 7.1A.2 as set out in Table 2 of Schedule 1.

### **3.3.7 Compliance with ASX Listing Rules 7.1A.4**

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

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

### **3.3.8 Voting Exclusion**

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

## **4 RESOLUTION 4 – RATIFICATION OF PRIOR ISSUES OF SECURITIES**

### **4.1 General**

The Company has issued a number of Shares to various parties without Shareholder approval during the last 12 months. Table 1 of Schedule 1 shows securities issued under Listing Rule 7.1 and Table 2 of Schedule 1 shows securities issued under Listing Rule 7.1A.

The Board is allowed to issue or agree to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1, and a further 10% under certain conditions under ASX Listing Rule 7.1A.

Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of ASX Listing Rule 7.1 and 7.1A, and, if given, the effect of the ratification is to deem that the securities issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

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

### **4.2 Technical information required by ASX Listing Rule 7.4**

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

- 4.2.1. The number of securities issued is set out in Schedule 1 Tables 1 and 2;
- 4.2.2. the issue price of the Securities was as set out in Schedule 1 Tables 1 and 2;
- 4.2.3. the terms of the Securities were as set out in Schedule 1 Tables 1 and 2;
- 4.2.4. the names of the persons to whom the Company issued the Securities were as set out in Schedule 1 Tables 1 and 2;
- 4.2.5. the funds raised from the issue of the Securities were used for the purposes set out in Schedule 1 Tables 1 and 2.

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

### 5.1 Background

In October 2018, the Company adopted an Employee Share Option Plan (**ESOP**). The key terms and provisions of the ESOP are set out in Schedule 2. A copy of the rules of the ESOP will be provided to any shareholder who requests a copy by emailing investor@tesseract.com.

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

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

### 5.2 Exception to ASX Listing Rules 7.1 and 7.1A

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

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

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

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

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

### 5.3 Technical information required by ASX Listing Rule 7.2

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

5.3.1. a summary of the key terms of the ESOP is set out in Schedule 2;

5.3.2. the number of securities issued under the ESOP since last approved under Listing Rule 7.2 in 2018 is 39,650,000;

- 5.3.3. the maximum number of Equity Securities proposed to be issued under the ESOP following the Shareholder approval is up to 5% of the then issued ordinary shares in the Company, being 60,317,553.85 securities in total, including securities already issued; and
- 5.3.4. a voting exclusion statement is included in the Notice of Meeting.

## 6 RESOLUTION 6 – CHANGES TO CONSTITUTION - VIRTUAL GENERAL MEETINGS AND NOTICES TO SHAREHOLDERS

### 6.1 Introduction

During the current COVID-19 pandemic, the Company has taken advantage of various measures to hold general meetings virtually using technologies, including the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*. These measures are temporary.

Under the *Treasury Laws Amendment (Measures for Consultation) Bill 2021* exposure draft, it is proposed that the Corporations Act be amended to provide that a company may hold a meeting of its members:

- (a) at one or more physical venues (**physical meetings**),
- (b) at one or more physical venues and using virtual meeting technology (**hybrid meetings**), or
- (c) if required or permitted by a company's constitution, using virtual meeting technology only (**virtual meetings**).

There are new Corporations Act provisions regarding giving notices of meetings and other documents to shareholders in hard copy or by electronic means, including by providing shareholders sufficient information to access a document electronically (**online access notice**).

The Constitution amendments are proposed to allow the Company to hold virtual meetings in future, in addition to physical meetings and hybrid meetings of members, subject to complying with the requirements of the Corporations Act. The proposed amendments will also clarify when an online access notice is taken to be given, consistent with existing provisions of the Constitution regarding when a document sent by post or electronic means is taken to be given.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

### 6.2 Proposed Constitution amendments

Regarding use of technology for general meetings and notices to Shareholders, the current Constitution of the Company provides (in part) that:

- 'A general meeting may be held at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate' (clause 17.2);
- A notice calling a general meeting must comply with the Corporations Act and must: '(a) set out the place, date and time for the general meeting (and if the general meeting is to be held in two or more places, the technology that will be used to facilitate the general meeting)'; (clause 15.4(a));
- 'A notice of postponement or cancellation of a general meeting must specify:

- (a) *the reasons for the postponement or cancellation; and*
- (b) *if the general meeting is postponed:*
  - (i) *the postponed date and time for the holding of the general meeting;*
  - (ii) *a place for the holding of the general meeting which may be either the same as or different from the place specified in the notice calling the general meeting; and*
  - (iii) *if the general meeting is to be held in two or more places, the technology that will be used to facilitate the holding of the general meeting in that manner' (clause 16.2);*
- *'In this clause 31, a reference to a document includes a notice' (clause 31.1);*
- *The Company may give a document to a member:... '(v) by notifying the member in accordance with section 249J(3A) of the Corporations Act' (clause 31.2(a)(v));*
- *'If the address of a member in the register is not within Australia, the Company must send all documents to that member by airmail, air courier or by fax' (clause 31.2(b)); and*
- *'A document given to a member under clause 31.2(a)(v) is taken to be given on the day on which the member is notified that the document is available' (clause 31.6(c)).*

The specific Constitution amendments proposed for approval in Resolution 6 are as follows:

Replace clause 17.2 to read:

**'17.2 Technology**

- (a) *Subject to the Corporations Act, the Company may hold a meeting of its members using any technology approved by the Directors that gives the members entitled to attend as a whole a reasonable opportunity to participate. This may include:*
  - (i) *holding a meeting at one or more physical venues and using such technology; or*
  - (ii) *holding a meeting using such technology only.*
- (b) *A member who attends a meeting by using technology as contemplated by clause 17.2(a) is taken for all purposes to be present in person at the meeting while so attending.*
- (c) *If, before or during a meeting of members, any technical difficulty occurs, such that the members entitled to attend as a whole do not have a reasonable opportunity to participate, the Chair may:*
  - (i) *adjourn the meeting until the difficulty is remedied or to such other time and place as the Chair deems appropriate; or*
  - (ii) *subject to the Corporations Act and this Constitution, continue to hold the meeting.'*

Replace clause 15.4(a) to read:

- (a) *set out the one or more places (physical and/or virtual) for the holding of the general meeting, the date and time for the general meeting and, if applicable, sufficient information to allow members to participate by using technology as contemplated in clause 17.2(a);'*

Replace clause 16.2 to read:

**'16.2 Contents of notice of postponing or cancelling a general meeting**



*A notice of postponement or cancellation of a general meeting must specify:*

- (a) the reasons for the postponement or cancellation; and*
- (b) if the general meeting is postponed:*
  - (i) the postponed date and time for the holding of the general meeting;*
  - (ii) the one or more places (physical and/or virtual) for the holding of the meeting, which may be either the same as or different from the one or more places specified in the notice calling the general meeting;*
  - (iii) if the meeting is to be held in two or more physical venues, each location and the main location for the meeting; and*
  - (iv) if applicable, sufficient information to allow members to participate by using technology as contemplated in clause 17.2(a).'*

Replace clause 31.1 to read:

**31.1 Document includes notice**

*In this clause 31, a reference to:*

- (a) a document includes a notice and a notification by electronic means;*
- (b) the Company giving a document includes the Company giving a member or other recipient (by electronic means, post or otherwise) sufficient information to allow them to access the document electronically; and*
- (c) a document sent includes a document given as described in clause 31.1(b), such that it will be taken to be given in accordance with clause 31.6(a) or clause 31.6(b) (as applicable).'*

Replace clause 31.2(a)(v) to read:

- (v) by any other means permitted by the Corporations Act.'*

Replace clause 31.2(b) to read:

- (b) If the address of a member in the register is not within Australia, the Company must send all documents to that member by airmail or air courier (if being sent by post) or by electronic means.'*

Delete clause 31.6(c).

To correct a clause cross reference, in clause 20.10, replace each reference to '5.3(c)(i)' to be a reference to '20.10(a)'.

A copy of the Company's current Constitution showing the proposed amendments is available at: <https://investors.tesseract.com/site/about/corporate-governance>. A printed copy of the Constitution showing the proposed amendments can be obtained by emailing [investor@tesseract.com](mailto:investor@tesseract.com).

## **6.3 Recommendation of Directors**

The Directors recommend that all Shareholders vote in favour of Resolution 6.

## GLOSSARY

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

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

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

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

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

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

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

(e) a company the member controls; or

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

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

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

**Directors** means the directors of the Company.

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

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

**General Meeting, Meeting** and **Annual General Meeting** means the meeting convened by the Notice.

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

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

**Remuneration Report** means the Remuneration Report contained in the Directors' Report section of the Company's 2021 Annual Report.

**Resolution** means a resolution in this Notice of Meeting.

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

**Shareholder** means a registered holder of a Share.

## Schedule 1 - Prior issues of securities

Date of issue announcement	No of securities	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount (%)	Consideration cash (\$)	Consideration non cash – current value	Purpose of issue	Persons issued to or basis on which those persons were determined
05.05.21	6396588	15.06.2021	Ordinary shares	0.2345	0.22	Premium	-	0.2345 per share	Investment in Trustgrid (1)	Owner of business
05.07.21	1,279,318 469,958 4,239,389	05.07.21	Ordinary shares	0.2345  0.3545  0.2521	0.245	4.3		0.2345 Per share  0.3545 per share  0.2521 per share	Payment of contractor – Impressio Pty Ltd	Contractor
29.09.21	19,047,619	01.10.21	Ordinary shares	0.21	23.5	10.64	0.21 per share	-	Placement (2)	Clients of Curren & Co and Shaw and Partners
19.08.21	15,946,137	06.10.21	Ordinary shares	0.28	0.27	premium	0.28 per share	-	To acquire Loop Secure (3)	Vendors of business

**Table 1: issues under Listing Rule 7.1**

Date of announcement	issue	No of securities	Date of issue	Class	Issue Price (\$)	Close market price (\$)	Discount (%)	Consideration cash (\$)	Consideration non cash – current value	Purpose of issue	Persons issued to or basis on which those persons were determined
28.09.21		100,000,000	01.10.21	Ordinary shares	0.21	23.5	10.64	0.21 per share	-	Placement (2)	Clients of Curren & Co and Shaw and Partners

**Table 2 – issues under Listing Rule 7.1A**

Notes:

(1) see ASX announcement 5 May 2021 – “Completes investment in transformative startups”

(2) see ASX announcement 28 September 2021 - “Tesserent announces placement”

(3) see ASX Announcement 19 August 2021 – “Tesserent cements market leading position with acquisition of Loop Secure”

## Schedule 2 Key terms of ESOP

The Company established an ESOP in 2018, the salient terms of which are as follows:

1. **Eligible persons** – eligible persons are all full and part time employees and contractors of the Company, except for directors. Directors are ineligible to participate. The Board has the discretion to determine which of the eligible employees participate, and to what extent.
2. **Terms of issue** – the terms of issue of options, such as issue price, exercise price, exercise period and any other criteria such as performance of option holder, are at the discretion of the Board.
3. **Expiry date of options issued** – options issued expire in normal circumstances either 10 years from the date of issue or such other period determined by the Board. Generally, if an employee ceases employment for any reason, that employee has a certain period to exercise any options, following which they lapse.
4. **Limit on securities to be issued** – The Board may not allot more than 5% of the then issued capital of the Company under the ESOP.
5. **No substantial issue to single employee** – the Board may not allot options to a particular employee if, as a result of the exercise of those options, that employee would hold more than 5% of the issued shares of the Company.
6. **Other terms required under the ASX Listing Rules** – the issue of Options and the Options themselves are subject to the ASX Listing Rules and all terms required under those rules apply to Options.

A copy of the ESOP Rules is available to any shareholder on request by email – [investor@tesseract.com](mailto:investor@tesseract.com).