

BOARD AND SENIOR EXECUTIVE EVALUATION POLICY

Tesseract Limited ACN 605 672 928 (“Company”)

The Company has a range of processes in place relating to performance and evaluation of the board of directors of the Company (**Board**), senior executive of the Company and individual directors of the Company (**Directors**). These evaluations are fundamental to establishing a culture of high performance and accountability throughout the Company.

1. Chairman, board and individual director evaluation

Chairman

1 A suitable non-executive director will be responsible for the performance evaluation of the chairman of the Company (**Chairman**) after having canvassed the views of the other directors. In evaluating if the Chairman is carrying out their duties, the Board must look at the Chairman’s obligations as set out in Company policies and protocols and the requirements of the law.

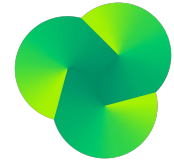
The Board

2 The process for evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chairman.

3 Reviews are conducted annually using board questionnaires completed by the Board which are collated and prepared by the Chairman. The Chairman will also consider all agendas, minutes and briefing material prepared by the Board over the course of the year, board culture, the relationship of the Board and management, interactions with external and internal stakeholders and feedback from any third parties. The Chairman may at his or her discretion obtain third party assistance in preparing or collating the board questionnaires and evaluating the Board generally.

4 All board questionnaires will involve questions to ensure the following are evaluated:

- (a) the performance of the Board in terms of corporate governance;
- (b) the structure and roles of the Board; and
- (c) the performance of the Board in terms of key board functions.



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1 All responses from the board questionnaires will be presented to the Board as a whole without identifying any individual Director details.

Following a Board evaluation, the Chairman will prepare a report to the Board which will:

- (a) identify those areas of governance and performance that may require an increased level of attention by the Board;
- (b) recommended improvements on the Board's processes and procedures; and
- (c) areas of skills and experience which need to be improved or developed on the Board.

Individual Directors

1 Annually the Board must evaluate and review the performance of individual Directors. In evaluating if individual Directors are carrying out their duties, the Board must look at Director obligations as set out in Company policies and protocols and the requirements of the law.

2 The Chairman is in charge of conducting the individual Director evaluations with the assistance of the Board by means of:

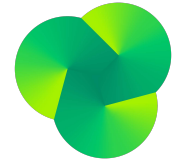
- (a) individual director surveys;
- (b) one-on-one interviews; and
- (c) feedback from other members of the Board and senior executive staff.

2. Senior executive evaluation policy

The CEO is subject to an annual performance evaluation by the Board. All senior executives of the Company (including the CEO) are subject to annual performance evaluations by the CEO.

Each year the Board acting through the Chairman will set performance guidelines for the CEO and Key Performance Indicators (**KPI's**). KPI's will be used in evaluating performance and used as guidance in determining performance related remuneration.

The CEO will determine the performance evaluation process for senior executives.



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3. Confidentiality

1 The results of all individual director and board questionnaires will be treated as confidential, subject any legal requirements otherwise.

4. Reporting of evaluations

1 The Company will disclose in relation to each reporting period whether a performance evaluation of the individual Directors, the Board, senior executives and/or any committees was undertaken in the relevant reporting period, how the evaluation was undertaken, any insights the Company has gained from the evaluation and any governance changes the Company has made.

5. Policy review

This Policy is subject to annual review by the Board.

Amended 24 July 2020