

NOMINATIONS AND REMUNERATION COMMITTEE

Nominations and Remuneration Committee CHARTER

Tesseract Limited ACN 605 672 928 (“Company”)

The Nomination and Remuneration Committee is a committee established by the Board of Directors of Tesseract Limited.

This Charter sets out the scope of the Nomination and Remuneration Committee's responsibilities in relation to the Group.

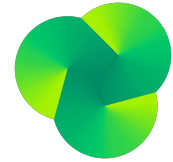
1. The committee's role and responsibilities

The objective of the Nomination and Remuneration Committee is to assist the Board to achieve its objective to ensure that the Company:

- 1.1 has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgment to decisions regarding the composition of the Board;
- 1.2 has a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- 1.3 has a Board which reviews its own performance and that of its Committees and subsidiary Boards from time to time, with a view to achieving and maintaining an appropriate level of performance;
- 1.4 has developed and implemented corporate governance policies, practices and procedures that reflect appropriate standards with respect to corporate governance;
- 1.5 monitors, maintains and amends, when necessary, its corporate governance policies, practices and procedures;
- 1.6 has coherent remuneration policies and practices to attract and retain a Chief Executive Officer;
- 1.7 observes those remuneration policies and practices; and
- 1.8 fairly and responsibly rewards the Chief Executive Officer having regard to performance and the general external pay environment.

2. Authority and Composition

The Committee has no executive powers in relation to the operations of the Company. It functions in an oversight and review role on behalf of the Board and will make recommendations for Board consideration as necessary.



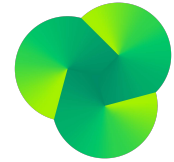
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- 2.1 The Nomination and Remuneration Committee must comprise:
- (a) at least three Board Directors; and
 - (b) all being non-executive directors
- and regard to diversity should be had in constituting the Nomination and Remuneration Committee.
- 2.2 The Board will appoint its Chair. The Chair of the Nomination and Remuneration Committee must not be the Chair of the Board.
- 2.3 The Board decides appointments, rotations and resignations within the Nomination and Remuneration Committee having regard to the Company's constitution.

3. Nominations – responsibilities

The responsibilities of the Nomination and Remuneration Committee are:

- 3.1 identifying and recommending to the Board, nominees for membership of the Board including the Chief Executive Officer;
- 3.2 being responsible for, and disclosing, a Board Skills Matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership which, in the opinion of the Directors are required for a proper functioning of the Board;
- 3.3 identifying and assessing the necessary and desirable competencies and characteristics for Board membership, including:
 - (a) skills, expertise and background that add to and complement the range of skills, expertise and background of the existing Directors;
 - (b) diversity; and
 - (c) the extent to which the candidate would fill a present need on the Board.
- 3.4 establishing processes for identifying suitable candidates for appointment to the Board to ensure an appropriate mix of expertise, experience and succession;
- 3.5 ensuring that the Company:
 - (a) develops and discloses a Board appointment process, which includes selection criteria having regard to the skills and experience and the selection process for senior management positions;



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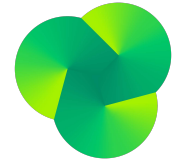
- (b) undertakes appropriate checks before putting forward or appointing a candidate as a Director, including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history;
- (c) has a written agreement with each Director and the Chief Executive Officer setting out the terms of his or her engagement; and
- (d) has, and discloses, a summary of the main features of a program for inducting new Directors and provides appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

3.6 ensuring the written terms of engagement for non executive directors should generally include:

- (a) the terms of the appointment;
- (b) the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- (c) remuneration, including superannuation entitlements;
- (d) the expectation of the Company in relation to attendance at, and preparation for, Board meetings;
- (e) the requirement to disclose directors' interests and any matters which may affect the director's independence;
- (f) the requirement to comply with key corporate policies, including the Company's code of conduct and its share trading policy;
- (g) the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- (h) the circumstances in which a Director's office becomes vacant;
- (i) indemnity and insurance arrangements;
- (j) ongoing rights of access to corporate information;
- (k) a copy of the Company's constitution; and
- (l) ongoing confidentiality obligations.

3.7 ensuring the written terms of engagement for non executive directors should generally include the information above (to the extent applicable) as well as:

- (a) a description of their position, duties and responsibilities;



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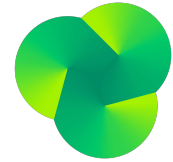
- (b) the person or body to whom they report;
 - (c) the circumstances in which their service may be terminated (with or without notice); and
 - (d) any entitlements on termination.
- 3.8 ensuring succession plans for Board members and the Chief Executive Officer (in particular) are in place;
- 3.9 recommending the removal of Directors to the Board;
- 3.10 ensuring that proposed Directors who are initially appointed by the full Board are subject to election by shareholders at the next annual general meeting of the Company (**AGM**), as set out below.

The names of candidates submitted for election as Directors must be sent to shareholders and the following information provided to ensure shareholders make an informed decisions on whether or not to elect or re-elect a Director:

- (a) the proposed appointees biographical details including their relevant qualifications and experience and the skills they bring to the Board;
 - (b) any material adverse information relevant by the checks as to a candidate's character, expertise, education, criminal record and bankruptcy history that the Company has performed about the Director;
 - (c) details of any interest, position or relationship that might influence or reasonably be perceived to influence in a material respect the proposed candidates capacity to bring an independent judgment and to act in the best interest of the Company and its shareholders;
 - (d) the proposed appointees relationship with the Company and the Board;
 - (e) previous and current material directorships held;
 - (f) a statement from the Board as to if they consider the Director to be an independent director; and
 - (g) any other particulars required to be disclosed by the Corporations Act 2001 (Cth), the ASX Listing Rules or otherwise; and
- 3.11 any other responsibilities as determined by the Nomination and Remuneration Committee or the Board from time to time.

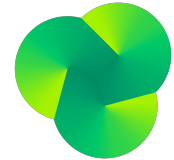
4. Performance of Directors – responsibilities

- 4.1 The responsibilities of the Nomination and Remuneration Committee are:



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- (a) annually reviewing the performance of the Chief Executive Officer;
 - (b) establishing processes for evaluating the performance of the Board, both collectively and individually;
 - (c) overseeing the evaluation of the performance of the Board;
 - (d) reviewing whether the Directors as a group have the skills, knowledge and familiarity with the Foundation and its operating environment required to fulfil their role on the Board and on Board Committees effectively and, where any gaps are identified, considering what training or development could be undertaken to fill those gaps;
 - (e) regularly assessing the independence of Directors;
 - (f) evaluating the performance of Directors before they stand for re-election; and
 - (g) any other responsibilities as determined by the Nomination and Remuneration Committee or the Board from time to time.
- 4.2 Members of the Nomination and Remuneration Committee must not participate in any review or assessment of their own performance.
- 4.3 After consulting with the other Directors, the Nomination and Remuneration Committee will arrange for a suitable non-executive Director to conduct a performance evaluation of the Chair and other Committee Members.
- 4.4 The Company's constitution provides that a Director may not hold office for a period in excess of three years or past the third AGM following the director's appointment without seeking re-election.
- 4.5 Unless otherwise determined by a resolution of the shareholders, while the Company is admitted to the Official List, one third of the Directors, or if their number is not a multiple of three, then the whole number nearest to one third, must retire from office at each AGM.
- 4.6 The following procedure will be adopted in re-appointing incumbent Directors:
- (a) prior to the date of the AGM at which the Director is scheduled to be reappointment, the Board will assess the Board capabilities and the competencies and skills of the individual Director seeking reappointment, using amongst other things the competency criteria set out in this policy;
 - (b) if the Board does not support the re-election of a Director seeking reappointment, the procedure to select and appoint a new Director may be initiated; and

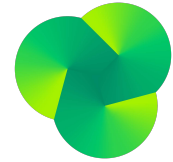


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- (c) if the Board does support the re-election of a Director seeking reappointment, the Director seeking re-election will be submitted for re-election by shareholders at the next AGM.
- 4.7 For a Director standing for re-election as a Director, shareholders must be provided with the following information:
- (a) the term of office currently served by the Director;
 - (b) if the Board considers the Director to be an independent director, a statement to that effect; and
 - (c) a statement by the Board as to whether it supports the election or re-election of the candidate.
- 4.8 A candidate for appointment or election as a non-executive director should provide the Board with:
- (a) information and consent for the Company to conduct any background or other checks the Company would ordinarily conduct;
 - (b) details of their other commitments and an indication of the time involved; and
 - (c) an acknowledgement that they will have sufficient time to fulfil their responsibilities as a director.

5. Remuneration policies and practices

- 5.1 Non-executive Directors operate in a professional capacity and are entitled to remuneration for services rendered and expense reimbursement. The AICD Non-executive directors and Chairman's salary review for similar sized ASX listed companies is to be used as the benchmark for remuneration.
- 5.2 In respect of **executive remuneration**, remuneration packages should include an appropriate balance of fixed and variable performance based remuneration and may contain any or all of the following:
- (a) fixed remuneration – this should:
 - (i) be reasonable and fair;
 - (ii) take into account the Company's legal and industrial obligations and labour market conditions;
 - (iii) be relative to the scale of the Company's business;
 - (iv) reflect core performance requirements and expectations; and
 - (v) incumbent skills and experience;



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- (b) variable performance-based remuneration – this should:
 - (i) take into account individual and corporate performance; and
 - (ii) be linked to clearly-specified performance targets, which should be:
 - A. aligned to the Group's short and long-term performance objectives; and
 - B. appropriate to its circumstances, goals and risk appetite;
- (c) **equity-based remuneration** – this can include options or performance shares and is especially effective when linked to hurdles that are aligned to the Company's longer-term performance objectives. It should also take into account executive performance. However, programs should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks; and
- (d) **termination payments** – these should be agreed in advance, and any agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for serious misconduct. Employment contracts for executives should have regard to the maximum amount that can be paid under the termination provisions under the *Corporations Act 2001* (Cth), and in particular the maximum amount that can be paid without requiring shareholder approval.

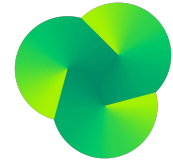
5.3 Chief Executive Officer remuneration and incentive policies and practices must be designed to:

- (a) motivate the Chief Executive Officer to pursue the Company's long-term growth and success; and
- (b) demonstrate a clear relationship between the Company's overall performance and the performance of Directors and the Chief Executive Officer.

6. Remuneration - responsibilities

6.1 The responsibilities of the Nomination and Remuneration Committee are:

- (a) to review and approve the Chief Executive Officer's remuneration and incentive policies and practices in line with relevant legislation and corporate governance principles relating to remuneration practices and employment;
- (b) to review and approve the design and total proposed payments from any Chief Executive Officer incentive plan (including performance, appraisal and methodology);
- (c) to review the remuneration of senior executives set by the CEO;



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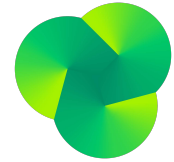
- (d) to review superannuation arrangements for employees;
- (e) to review and refer to the Board any equity based remuneration plans;
- (f) to ensure the disclosure of any relevant information required in each annual report of the Company;
- (g) any other responsibilities as determined by the Nomination and Remuneration Committee or the Board from time to time; and
- (h) to make recommendations to the Board in relation to the matters above.

7. Nomination and Remuneration Committee meetings

- 7.1 The Nomination and Remuneration Committee will meet as often as it considers necessary, and at least twice a year.
- 7.2 The quorum for a Nomination and Remuneration Committee meeting is two Nomination and Remuneration Committee members.
- 7.3 Nomination and Remuneration Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- 7.4 The Nomination and Remuneration Committee may invite anyone it considers appropriate to attend its Committee meetings. (eg. Chairman, Chief Executive Officer, Company Secretary)
- 7.5 The Nomination and Remuneration Committee must keep minutes of its meetings and shall report these regularly to the Board.
- 7.6 The Nomination and Remuneration Committee must disclose at the end of each reporting period the number of times that it met during the period and the individual attendances of its members at those meetings.

8. Access to information and independent advice

- 8.1 The Nomination and Remuneration Committee may seek any information that it considers necessary to fulfil its responsibilities.
- 8.2 The Nomination and Remuneration Committee has access to Management to seek explanations and information from Management.
- 8.3 The Nomination and Remuneration Committee may seek professional advice from appropriate external advisers, at the Company's cost with prior approval from the



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Chairman. The Nomination and Remuneration Committee may meet with external advisers without Management being present.

9. Review and changes to this Charter

- 9.1 The Nomination and Remuneration Committee will review this charter annually or as often as it considers necessary.
- 9.2 The Board may change this charter (including the responsibilities of the Nomination and Remuneration Committee) from time to time by resolution.

10. Policy review

This Policy is subject to annual review by the Board.

Document history:

Adopted: 28 July 2017

Amended: 24 July 2020