

APPOINTMENT OF EXTERNAL AUDITOR POLICY

Tesseract Limited ACN 605 672 928 (“Company”)

The following information is a summary of the conditions on which the Company will select an external auditor. The board of directors of the Company (**Board**) may modify this policy where the need arises to ensure compliance with the ASX Corporate Governance Principles and Recommendations and the Corporations Act 2001 (Cth).

1. Selection and appointment of external auditors

Responsibility for selection and appointment.

1 Subject to confirmation by shareholders at the Company’s annual general meeting, the Board in accordance with guidance and advice from the Audit and Risk Management Committee is responsible for the appointment of an independent external auditor, with appropriate skills, knowledge and experience.

2 Selected auditors must provide half yearly reports on the levels of audit and non-audit fees and annually must confirm to the Board that they have satisfied all professional regulations relating to auditor independence.

Vacancies

3 Should a vacancy arise, for any reason, the Board in accordance with guidance and advice from the Audit and Risk Management Committee will appoint a new external auditor using the guidelines set out in the Audit and Risk Management Charter, until the next annual general meeting where shareholder approval can be obtained.

Rotation

4 The Company requires that the lead partner of the external auditor involved in the Company’s external audit must be rotated every 5 years. Previous lead partner of the external auditor involved in the Company’s external audit should not play a significant role in the audit of the Company for at least 2 financial years subsequent.

2. Policy Review

This Policy is subject to annual review by the Board.

Amended: 24 July 2020