

**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 at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria at 10.30 am AEDT on Friday 29 November 2019.

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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 2019.

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 2019 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 2019 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 DIRECTOR BY OPERATION OF THE CONSTITUTION AND RE-ELECTION**

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

*That, having retired pursuant to the Constitution of the Company, Mr Stefano Bertamini be re-elected as a director.*

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

*That, having been elected during the year and retired pursuant to the Constitution of the Company, Mr Steven Caswell be elected as a director.*

### **Short Explanation**

The Company's Constitution requires one third of directors to retire at each AGM. Retiring directors are eligible for re-election. Mr Bertamini retires under this rule.

The Constitution also requires a director appointed during the year to retire at the first Annual General Meeting held after their election. Mr Caswell was appointed as a director during the year. He must therefore retire and has offered himself 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.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares in the entity), if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 chairing 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 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:

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify prior issues of Securities on the terms and conditions 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) and those securities will then be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. That approval is the purpose of Resolution 4.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 chairing 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 5 – APPROVAL OF ISSUE OF NED OPTIONS**

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 10.11 and for all other purposes, approval is given for the Company to issue 1,500,000 NED Options to its non-executive director Steve Caswell on the terms and conditions set out in the Explanatory Statement.*

### **Short Explanation**

The Company proposes to issue 1,500,000 NED Options to the non-executive director Mr Steve Caswell as part of his remuneration package. Mr Caswell is a related party of the Company by virtue of being a Director and therefore the issue of the NED Options requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 5 will be to allow the Company to issue the 1,500,000 NED Options without using the Company's 15% annual placement capacity.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Mr Caswell and/or his nominees, or any associates of them (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing 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.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

## **RESOLUTION 6 – APPROVAL OF PARTICIPATION OF DIRECTORS IN CAPITAL RAISING**

- 6.1 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 10.11 and for all other purposes, approval is given for the Company to issue Placement Securities to Robert Langford set out in section 6 of the Explanatory Statement on the terms set out in the Explanatory Statement.*

### **Short Explanation**

On 24 June 2019 the Company announced a placement (Placement) of Shares to sophisticated investors at \$0.045 per Share, with one free Option per every two new shares subscribed for. Certain Directors agreed to participate in the Placement, subject to Shareholder approval as required by ASX Listing Rule 10.11. Resolutions 6.1 to 6.3 seek that approval.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Mr Robert Langford and/or his nominees, or any associates of them (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing 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.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

- 6.2 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 10.11 and for all other purposes, approval is given for the Company to issue Placement Securities to Greg Baxter set out in section 6 of the Explanatory Statement on the terms set out in the Explanatory Statement.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Mr Greg Baxter and/or his nominees, or any associates of them (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing 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.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

6.3 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 10.11 and for all other purposes, approval is given for the Company to issue Placement Securities to Stefano Bertamini set out in section 6 of the Explanatory Statement on the terms set out in the Explanatory Statement.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Mr Stefano Bertamini and/or his nominees, or any associates of them (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing 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.

### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

#### **RESOLUTION 7 – INCREASE IN AGGREGATE AMOUNT PAYABLE TO NON-EXECUTIVE DIRECTORS**

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 10.17, ASX Listing Rule 10.17A, clause 22.2(b) of the Company’s constitution and for all other purposes, the increase in remuneration payable to Directors of the Company to \$400,000 as referred to in the Explanatory Statement, is approved.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Directors and/or their nominees, or any associates of them (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing 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.

#### **Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (c) the proxy is either:
  - (iii) a member of the KMP; or
  - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the KMP.

#### **RESOLUTION 8 – APPROVAL OF ISSUE OF SECURITIES TO MR JULIAN CHALLINGSWORTH**

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

*That, subject to completion of the PS&C Security Acquisition, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the issue of rights to acquire no more than 10,000,000 Shares to Julian Challingsworth or his nominee, as referred to in the Explanatory Statement, is approved.*

### **Short Explanation**

The Company proposes to issue rights to acquire up to 10,000,000 Shares to Mr Julian Challingsworth as part of his revised remuneration package, conditional on completion of the PS&C Security Acquisition and cancellation of the Managing Director Options. Mr Challingsworth is a related party to the Company and therefore the issue of the Shares requires Shareholder approval under ASX Listing Rule 10.11. An issue of securities under ASX Listing Rule 10.11 approved by Shareholders is an exception to ASX Listing Rule 7.1. The effect of Resolution 7 will be to allow the Company to issue the rights to acquire up to 10,000,000 Shares to Mr Challingsworth, without using the Company's 15% annual placement capacity.

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Mr Challingsworth and/or his nominees, or any associates of them (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, it is cast by the person chairing 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 9 –ISSUE OF WARRANTS TO PURE ASSET MANAGEMENT PTY LTD**

9.1 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 7.4 and for all other purposes, Shareholders ratify the issue to Pure Asset Management Pty Ltd of warrants to acquire Shares on the terms and conditions set out in the Explanatory Statement.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 chairing 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.

9.2 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 and all other purposes, the issue to Pure Asset Management Pty Ltd of warrants to acquire Shares, as referred to in the Explanatory Statement, is approved.*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 chairing 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.

### **Short Explanation**

As an incentive for Pure Asset Management Pty Ltd to enter into a facility agreement with the Company, the Company has issued and agreed to issue warrants to the lender. This resolution is to seek ratification of and

approval for the issue of the warrants for the purposes of ASX Listing Rule 7.1 and 7.4. ASX Listing Rule 7.1 limits the number of equity securities that a listed entity may issue in any 12 month period to 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. An issue approved by Shareholders is not counted for these purposes.

## **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

25 October 2019



## 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 Wednesday 27 November 2019 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 10:30 am (Melbourne time) on 27 November 2019, 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 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 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 2019.

Shareholders who have elected not to receive a hard copy of the Company's 2019 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 RE-ELECTION

The Company's Constitution requires one third of the directors (other than the Managing Director) to retire at each Annual General Meeting, being the directors longest in office since being re-elected by Shareholders at the date of the Annual General Meeting. Mr Stefano Bertamini retires under this rule effective from the end of this meeting and is eligible for re-election.

Details of the Directors 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 of this resolution intends to vote open proxies in favour of it.

The Constitution also requires a director appointed during the year to retire at the first Annual General Meeting held after their appointment. Mr Caswell was appointed as a director on during the year. He must therefore retire and has offered himself for re-election.

The Directors recommend that all Shareholders vote in favour of this resolution. The Chairman of this resolution intends to vote open proxies in favour of it.

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

#### **3.1 Introduction**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined and explained below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (defined below) equal to 10% of its issued capital (10%) Placement Capacity without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

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

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation under \$300,000,000.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company has only 1 class of quoted Equity Securities being Shares (ASX: TNT) and the number of Shares that the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (detailed below) should the Shareholders approve Resolution 3.

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.

Note that 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 the resolution for it to be passed.

#### **3.2 The number of Shares to be issued**

The Number of Shares that the Company may issue under the 10% Placement Capacity will be calculated according to the following formula:

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

A: is the number of Shares on issue 12 months before the date of the issue or agreement,

- (i) Plus the number of fully paid Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (ii) Plus the number of partly paid Shares that become fully paid in the previous 12 months;
- (iii) Plus the number of fully paid Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rule 7.1 and 7.4; and
- (iv) Less the number of fully paid Shares cancelled in the 12 months.

D: is 10%

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

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

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

#### 3.3.1. Minimum Price

The minimum price at which the Equity Securities will issued will be 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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 3.3.1(i), the date on which the Equity Securities are issued.

#### 3.3.2. Risk of economic and voting dilution

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

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

The table below shows the dilution of existing Shares calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Shares on issue as at 8 October 2019.

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 (Variable A in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price / Share	\$0.0235 (50% decrease in Issue Price)	\$0.047 Issue Price	\$0.0705 (50% increase in Issue Price)
251,279,792 (Current Variable A*)	Shares issued – 10% voting dilution	25127979 Shares	25127979 Shares	25127979 Shares
	Funds raised	\$590,507	\$1,181,015	\$1,771,522
376919688 (50% increase in Variable A)	Shares issued – 10% voting dilution	37691968 Shares	37691968 Shares	37691968 Shares
	Funds raised	\$885,761	\$1,771,522	\$2,657,283
502559584 (100% increase in Current Variable A)	Shares issued – 10% voting dilution	50255958 Shares	50255958 Shares	50255958 Shares
	Funds raised	\$1,181,015	\$2,362,030	\$3,543,045

\* The number of Shares on issue (Variable A) 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) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The above table assumes:**

1. There are currently 251,279,792 Shares on issue. This number excludes any Shares that may be issued pursuant to resolutions being put to members in accordance with this Notice of Meeting. It also excludes Shares that might be issued on conversion of Options. Options on issue are set out in Schedule 1.
2. The Company issues the maximum possible number of Shares under the 10% Placement Capacity.
3. 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.
4. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
5. 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%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the General Meeting.

Shareholders should also note that there are risks that:

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

### **3.3.3. Date of Issue**

The Shares may be issued under the 10% Placement Capacity commencing on the date of the General Meeting and expiring in the first to occur of the following:

- (i) 12 months after the date of this General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the company's activities) or 11.2 (disposal of the company's major undertaking).

#### **(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).

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

The Company may issue Shares under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration for the Acquisition or other acquisitions of new assets and investments (including expenses associated with such acquisitions), and general working capital of the Company'
- (ii) as non-cash consideration for the acquisitions of new assets and investments.

The Company will comply with its disclosure obligations under ASX Listing Rule 7.1A(4) and 3.10.5A under issue of any Equity Securities.

### **3.3.5. Application policy under the 10% Placement Capacity**

The recipients of the Shares to be issued under the 10% Placement Capacity have not been fully determined. However, the recipients of Shares could consist of current Shareholders, or new investors (or all of them). None of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, by having regard to:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to an entitled issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Shares on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from legal, corporate, financial and broking advisers (if applicable).

### **3.3.6. Previous approval under ASX Listing Rule 7.1A**

The Company has previously sought approval from Shareholders under ASX Listing Rule 7.1A at the 2018 AGM.

During the last 12 months the Company has issued 212,965,966 Equity Securities being 156% of the Equity Securities on issue at the commencement of that 12 month period.

Details of all issue of Equity Securities during the last 12 months as required by ASX Listing Rule 7.3.A.(6) are set out in Schedule 1.

### **3.3.7. Voting exclusion statement**

As stated in the Notice of Meeting, the Company will disregard any votes cast on Resolution 3 by any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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 chairing 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.

As at the date of this Notice of Meeting, the Company has not invited any existing Shareholder to participate in an issue of Shares under ASX Listing Rule 7.1A. No existing Shareholders will therefore 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. Those parties, the number of Shares, and purposes for the issues, are set out in Schedule 1 Table A.

The Board is allowed to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1. The Shares the subject of this Resolution 4 were issued without Shareholder approval and were within the limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of these Securities. By ratifying these issues, the Company will retain the flexibility to issue equity



securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 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 Table A;
- 4.2.2. the issue price of the Securities was as set out in Schedule 1 Table A;
- 4.2.3. the terms of the Securities were as set out in Schedule 1 Table A;
- 4.2.4. the names of the persons to whom the Company issued the Securities were as set out in Schedule 1 Table A;
- 4.2.5. the funds raised from the issue of the Securities were used for the purposes set out in Schedule 1 Table A.

## 5 RESOLUTION 5 - APPROVAL OF ISSUE OF NED OPTIONS

### 5.1 General and Background

The Company proposes, subject to obtaining Shareholder approval, to issue a total of 1,500,000 NED Options to its non-executive director Steve Caswell, on the terms as set out in this Notice and Explanatory Statement.

Mr Caswell was appointed a director of the Company in 2019. Non Executive Directors have previously been issued with options as part of their remuneration package as directors as described in the Prospectus relating to the Company's IPO.

This Resolution seeks Shareholder approval to issue NED Options to Mr Caswell as part of his remuneration package. The exercise price and vesting of the NED Options have been adjusted to reflect the current Share price and date.

The objective of the issue of the NED Options and of this Resolution is to provide Mr Caswell with a mechanism to participate in the development of the Company and a long-term incentive for their involvement with, and commitment to, the Company.

### 5.2 Key terms and conditions of the NED Options

NED Options are call Options which enable Mr Caswell to subscribe for 1 Share upon exercise of each NED Option. The NED Options will be issued to Mr Caswell on the following key terms:

No	Exercise price	Vesting date	Expiry date
500,000	\$0.10	29 November 2019	30 November 2022
500,000	\$0.125	29 November 2020	30 November 2022
500,000	\$0.15	29 November 2021	30 November 2022

The NED Options will be vested if Mr Caswell remains as a director on the vesting dates. If Mr Caswell ceases to be a director, his unvested NED Options will lapse at the discretion of the Board.

The NED Options may only be exercised after being vested and before the Expiry Date. After this time, any unexercised NED Options will automatically lapse.

Shares issued on exercise of NED Options will rank equally in all respects with then existing Shares in the Company.

The NED Options are subject to the ASX Listing Rules and all terms required under those rules apply to NED Options.

Note that the Company will not apply for quotation of the NED Options to ASX.

### **5.3 ASX Listing Rules 10.11 and 10.13**

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), shareholder approval must be obtained where an entity issues Equity Security to a related party.

Mr Caswell is a related party of the Company by virtue of being a Director. The NED Options qualify as an Equity Security as they will entitle Mr Caswell to acquire Shares in the Company.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of NED Options:

- 5.3.1. The name of the person: Mr Steve Caswell, non-executive Director of the Company, and/or his nominee;
- 5.3.2. the maximum number of NED Options to be issued is 1,500,000;
- 5.3.3. the Company will issue the 1,500,000 NED Options within 1 month following this meeting;
- 5.3.4. the NED Options will be granted for nil cash consideration. The key terms and conditions of the issue is set out in section 3.2 above;
- 5.3.5. voting exclusion statement – this is included in the Notice; and
- 5.3.6. no funds will be raised from the issue of the NED Options. The funds raised from exercise of the NED Options will be used for working capital purposes.

### **5.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- 5.4.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 5.4.2. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the NED Options constitutes giving a financial benefit and Mr Caswell is a related party of the Company by virtue of being Company Directors. One of the exceptions to section 208 is the payment of reasonable remuneration. The Board, in the absence of Mr Caswell, has recommended the issue of the NED Options as being reasonable remuneration having regard to the responsibilities involved in the office and the functions to be performed by him, and the previous grants of NED Options approved by Shareholders.

## 5.5 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the NED Options as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of NED Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

## 6 RESOLUTION 6 - APPROVAL OF ISSUE OF PLACEMENT SECURITIES

### 6.1 General and Background

On 24 June 2019 the Company announced a placement (**Placement**) of Shares to sophisticated investors at \$0.045 per Share, with one free Option per every two new shares subscribed for (**Placement Securities**). The purpose of the Placement was to fund the cash consideration component of the acquisition of Rivium Pty Ltd.

Robert Langford, Greg Baxter and Steve Bertamini (**Participating Directors**) agreed to participate in the Placement, subject to Shareholder approval as required by ASX Listing Rule 10.10. This resolution seeks that approval.

### 6.2 Key terms and conditions of the Placement Securities

The Placement Securities are:

- Shares issued at \$0.045 per share; and
- \$0.05 free call options expiring 19 March 2020.

The Participating Directors will be able to subscribe for the following number of Placement Securities if approval is given:

Director	No of securities	Value (\$)
Robert Langford	3,333,334 Shares	150,000.03
	1,666,667 Options	
Greg Baxter	1,666,666 Shares	74,999.97
	833,333 Options	
Steve Bertamini	1,666,666 Shares	74,999.97
	833,333 Options	

### 6.3 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), shareholder approval must be obtained where an entity issues Equity Security to a related party.

Participating Directors are related parties of the Company by virtue of being Directors. The Placement Securities qualify as Equity Securities.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Placement Securities:

- 6.3.1. The name of the person: the Participating Directors, and/or their nominees;
- 6.3.2. the maximum number of NED Options to be issued: see 6.2;
- 6.3.3. the Company will issue the Placement Securities within 1 month following this meeting;
- 6.3.4. the Placement Securities will be granted for the consideration set out in 6.2 above;
- 6.3.5. voting exclusion statement – this is included in the Notice; and
- 6.3.6. The funds raised from the issue of the Placement Securities will be used for working capital purposes.

#### **6.4 Section 208 of the Corporations Act**

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- 6.4.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 6.4.2. give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

An exception is that the transaction in question is on arms length terms, is reasonable and for the benefit of the Company. In the absence of the Participating Directors, the Board determined that this was the case because:

- The Placement Securities are on identical terms to the securities issued to a number of third parties who participated in the Placement; and
- The participation of the Participating Directors was important to the success of the Placement.

Therefore approval under section 208 of the Corporations Act is not required.

#### **6.5 ASX Listing Rules 7.1 and 7.2**

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the NED Options as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of NED Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

## 7 RESOLUTION 7 - INCREASE IN AGGREGATE AMOUNT PAYABLE TO NON-EXECUTIVE DIRECTORS

### 7.1 Summary of proposal

Shareholders are being asked to approve the increase in total remuneration for the Non-Executive Directors of the Company to \$400,000 for the purposes of ASX Listing Rule 10.17, ASX Listing Rule 10.17A, clause 22.2(b) of the Company's constitution and all other purposes.

### 7.2 ASX Listing Rule 10.17 & 10.17A

ASX Listing Rule 10.17 states that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

For the purposes of ASX Listing Rule 10.17, "directors' fees" means all fees payable by the Company or any of its subsidiaries to a non-executive director for acting as a Director of the Company or any subsidiary (including attending and participating in any Board meetings) and includes superannuation contributions for the benefit of a non-executive Director and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees paid in accordance with the Company's constitution, or securities issued to a non-executive Director under Listing Rule 10.11 or 10.14 with the approval of the Shareholders.

ASX listing rule 10.17A states that the total amount of directors' fees paid to the Directors by the Company or any of its subsidiaries must not exceed the total amount of directors' fees approved by the Shareholders.

The following information is provided in accordance with ASX Listing Rule 10.17:

(a) *The amount of the increase*

The increase in total remuneration will be \$150,000, being from \$250,000 to \$400,000.

(b) *The maximum aggregate amount of Directors' fees that may be paid to all of the Company's non-executive Directors*

\$400,000.

(c) *Details of any securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with the approval of the Shareholders at any time within the last 3 years*

As at the date of this Notice, the following securities have been issued under ASX Listing Rule 10.11 or 10.14:

- NED Options set out in Schedule 1 Table C
- Chairman's Options set out in Schedule 1 Table C
- Managing Director Options set out in Schedule 1 Table C

(d) *Voting exclusion statement*

A voting exclusion statement is included in the Notice of Meeting.

## 8 RESOLUTION 8 - APPROVAL OF ISSUE OF SECURITIES TO MR JULIAN CHALLINGSWORTH

### 8.1 General

The Company proposes, subject to obtaining Shareholder approval, to issue rights to a total of 10,000,000 Shares to the current Managing Director, Mr Julian Challingsworth, on the terms as set out in this Notice and Explanatory Statement.

The issue of rights is conditional on:

- Completion of the PS&C Security Acquisition;
- Cancellation of the Managing Director Options set out in Table C of Schedule 1;
- The change in employment of Mr Challingsworth from Managing Director to Executive Director, Finance, Strategy and Acquisitions.

The Board have considered that the number of Shares to be issued to Mr Challingsworth is appropriate remuneration in light of his skills and experience and when considered together with his existing salary and other remuneration, and change in employment duties. The incentive represented by these securities is a cost effective and efficient, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The rights to acquire Shares proposed to be issued to Mr Challingsworth will rank equally in all respects with then existing Shares in the Company.

### 8.2 ASX Listing Rules 10.11 and 10.13

ASX Listing Rule 10.11 provides that, subject to certain exceptions (none of which are relevant here), shareholder approval must be obtained where an entity issues equity securities to a related party.

Mr Challingsworth is a related party of the Company.

Pursuant to and in accordance with the requirements of the ASX Listing Rules 10.13, the following information is provided in relation to the proposed issue of Shares:

- 8.2.1. The name of the person – Mr Julian Challingsworth, or his nominee;
- 8.2.2. the maximum number of securities to be issued is rights to acquire 10,000,000 Shares;
- 8.2.3. the rights to acquire the Shares, and the Share issued when the rights are exercised, will be granted for nil cash consideration and Shares will rank equally in all respects with the existing Shares in the Company;
- 8.2.4. voting exclusion statement – this is included in the Notice;
- 8.2.5. no funds will be raised from the issue of the Shares the subject of this Resolution 8;
- 8.2.6. The rights to acquire Shares the subject of this Resolution 8 will be issued based on the performance of the share price of the Company (**SP**) as follows:

<b>Right to acquire Number of Shares:</b>	<b>Condition:</b>	<b>Expiry Date:</b>
1,000,000	SP achieving \$0.075 for no less than 60 consecutive days	3 October 2021
1,000,000	SP achieving \$0.10 for no less than 60 consecutive days	3 October 2021
2,000,000	SP achieving \$0.15 for no less than 60 consecutive days	3 October 2021
2,000,000	SP achieving \$0.20 for no less than 60 consecutive days	3 October 2021
2,000,000	SP achieving \$0.25 for no less than 60 consecutive days	3 October 2021
2,000,000	SP achieving \$0.30 for no less than 60 consecutive days	3 October 2021

- 8.2.7. In the event of a takeover of TNT, all the above Shares will be issued to Mr Challingsworth.
- 8.2.8. The Company will issue the rights to acquire the Shares within 1 month of the date of the Meeting. Voting exclusion statements are included in the Notice of Meeting.
- 8.2.9. The rights to acquire the Shares are options and are subject to the ASX Listing Rules, and all terms required under those rules concerning options apply to the rights to acquire the Shares.

### **8.3 Section 208 of the Corporations Act**

Section 208 of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- 8.3.1. obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 8.3.2. give the benefit within 24 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the rights to acquire Shares constitutes giving a financial benefit and Mr Challingsworth is a related party of the Company by virtue of being a director of the Company. One of the exceptions to section 208 is the payment of reasonable remuneration. The Board reviewed the remuneration to be paid to Mr Challingsworth and has recommended the issue of the rights to acquire Shares as being reasonable remuneration having regard to the responsibilities involved in the functions to be performed by him.

#### 8.4 ASX Listing Rules 7.1 and 7.2

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares the subject of the Resolution 7 as approval is being obtained under ASX Listing Rule 10.11 (Exception 14 under ASX Listing Rule 7.2). Accordingly, the issue of the Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

### 9 RESOLUTION 9 - ISSUE OF WARRANTS TO PURE ASSET MANAGEMENT PTY LTD

#### 9.1 General

The Company seeks ratification of an issue of warrants, and approval to issue warrants, to Pure Asset Management in consideration for it entering into a facility agreement with the Company, pursuant to which it can access up to \$4,000,000, as announced by the Company on 19 September 2019.

The loan facility will be provided in two equal tranches, the first being a working capital facility (**Working Capital Facility**) and the other an acquisition facility drawable from 1 November 2019 subject to Pure Asset Management's approval of any target acquisition (**Acquisition Facility**).

Tesserent issued 15,000,000 warrants on 24 October 2019, and will issue a further 10,000,000 warrants following shareholder approval.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. Resolution 8.1 seeks that ratification.

The effect of Resolution 9.2 will be to allow the Company to issue the warrants to Pure Asset Management during the period of 3 months after this meeting (or a longer period if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

#### 9.2 ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of warrants:

9.2.1. The maximum number of securities to be issued is the total of:

- (i) 10,000,000 warrants in respect of the Working Capital Facility subject to shareholder approval;
- (ii) In respect of the Acquisition Facility, Pure Asset Management is to be issued with warrants equal to \$2,000,000 divided by an amount equal to 125% of the volume weighted average price (**VWAP**) for the 30-day period ending on the utilisation date of the Acquisition Facility.



- 9.2.2. The warrants will be issued for nil consideration, other than Pure Asset Management Pty Ltd entering into a facility agreement with the Company.
- 9.2.3. The warrants will be issued to Pure Asset Management Pty Ltd or its nominee.
- 9.2.4. No funds are directly raised from the issue of the warrants.
- 9.2.5. A voting exclusion statement is included in the Notice of Meeting.
- 9.2.6. General terms and conditions of the warrants are:
- (i) Each warrant entitles the holder, on exercise, to one Share.
  - (ii) Each warrant issued in respect of the Working Capital Facility is exercisable at the lesser of:
    - (i) \$0.08; and
    - (ii) the TERP per Share of any new issue of Shares where the total number of Shares on issue as a result of the new issue results in the Company's total share capital increasing by more than 15% (whether as a result of one issuance or a series of related-issuances).

"TERP" means the theoretical ex-rights price calculated in accordance with the following formula:

$$\frac{\text{market capitalisation of Company prior to issue} + \text{total capital raised from issue}}{\text{number of Shares on issue immediately after issue}}$$

- (iii) Warrants associated with the Acquisition Facility will have an exercise price which is the lower of:
  - (i) 125% of the VWAP for the 30-day period preceding the first utilization date under the Acquisition Facility loan; or
  - (ii) The TERP of any future capital raise requiring Shareholder approval to increase Shares on issue in Tesseract by greater than 15%.
- (iv) Warrants may be exercised at any time after the Company utilises the Working Capital Facility.
- (v) All Shares issued on the exercise of the warrants will rank equally in all respects with the Company's existing issued Shares.
- (vi) The Company will not apply to ASX for official quotation of the warrants.
- (vii) The Company will apply for quotation by ASX of all Shares issued upon the exercise of the warrants.
- (viii) In the event of any reconstruction of the issued capital of the Company prior to the expiry date, all rights of the warrant holder will be varied in accordance with the ASX Listing Rules.

**9.3 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 9:

- 9.3.1. The number of securities issued is 15,000,000;
- 9.3.2. the issue price of the Securities was nil;
- 9.3.3. the terms of the Securities were as set out in section 9.2;
- 9.3.4. the name of the person to whom the Company issued the Securities was Pure Asset Management;
- 9.3.5. no funds were raised from the issue of the securities.

## 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.

**'Pure Asset Management'** means Pure Asset Management Pty Ltd (ACN 616 178 771).

**Remuneration Report** means the Remuneration Report contained in the Directors' Report section of the Company's 2019 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

**Table A – Equity Securities to be ratified under Resolution 4**

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
16.05.19	700000	16.05.19	Shares	0	0.05	N/A	0	N/A	Issued to employee as part of employment contract	Employee
23.07.19	6250000	23.07.19	Shares	0.04	0.042	4.8	0.04 per Share	N/A	Placement working capital	Clients of broker
23.07.19	1000000	23.07.19	Shares	0.045	0.042	premium	0.045 per Share	N/A	Placement working capital	Clients of brokers
23.07.19	555,556	23.07.19	Shares	0	0.042	N/A	0	N/A	Issued to employee as part of employment contract	employee
23.07.19	180000	23.07.19	Shares	0.5	0.042	premium	0.5 per Share	N/A	Issued to contractor	contractor
23.07.19	6,705,000	23.07.19	June Placement Options	0	0.042	N/A	0	N/A	Placement options	Clients of broker
23.07.19	300,000	23.07.19	Employee Options	0	0.042	N/A	0	N/A	Issued to employee as part of employment contract	employee
16.09.19	1590000	16.09.19	Shares	0.05	0.045	Premium	0.05	N/A	Issued to contractor	contractor

**Table B – All Equity Securities issued during last 12 months**

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
30.11.18	1000000	11.12.18	Shares	0	0.053	N/A	0	N/A	Issued to MD as part of employment contract	Managing Director
30.11.18	1000000	13.12.18	Shares	0	0.053	N/A	0	N/A	Issued to MD as part of employment contract	Employee
30.11.18	3,000,000	16.12.18	Chairman option	0	0.053	N/A	0 – exercise price set out below	N/A	Chairman remuneration	Chairman
30.11.18	12,000,000	16.12.19	Managing Director Options	0	0.053	N/A	0 – exercise price set out below	N/A	MD remuneration	Managing Director
21.12.18	3,000,000	21.12.19	NED Options	0	0.53	N/A	0 – exercise price set out below	N/A	NED Remuneration	NED's
21.12.18	10000000	07.02.19	Shares	0.05	0.042	Premium	0.05 per Share	N/A	Placement acquisition	Existing shareholder
21.12.18	10000000	07.02.19	Feb 19 Options		0.042	N/A	0 – exercise price set out below	N/A		
12.02.19	300000	12.02.19	Shares	0	0.05	N/A	0	N/A	Issued to employee as part of employment contract	Employee
21.12.18	23128000	19.03.19	Shares	0.05	0.055	9.1	0.05	N/A	Placement acquisition	Clients of broker
21.12.18	22,000,000	19.03.19	TC Options	0	0.055	N/A	0 – exercise price set out below	N/A	Placement options	Clients of broker
29.03.19	11300000	29.03.19	Shares	0.05	0.052	3.8	0.05	N/A	Placement	Clients of broker
29.03.19	11300000	29.03.19	TC Options	0	0.052	N/A	0 – exercise price set out below	N/A	Placement options	Clients of broker
29.03.19	300,000	29.03.19	Employee Options	0	0.052	N/A	0 – exercise price set out below	N/A	Issued to employee as part of employment contract	Employee

18.04.19	1,600,000	15.04.19	Broker Options	0	0.055	N/A	0 – exercise price set out below	N/A	Issued to broker	to Broker
18.04.19	3,000,000	18.04.19	Employee options 2	0	0.06	N/A	0 – exercise price set out below	N/A	Issued to employee as part of employment contract	to Employee
1.05.19	3600000	1.05.19	Shares	0	0.055	N/A	0	N/A	Issued to customer	to Customer
1.05.19	440740	1.05.19	Shares	0	0.055	N/A	0	N/A	Issued to employee as part of employment contract	to Employee
16.05.19	700000	16.05.19	Shares	0	0.05	N/A	0	N/A	Issued to employee as part of employment contract	to Employee
14.06.19	34,555,557	2.07.19	Shares	0.045	0.043	premium	0.045	N/A	Placement for acquisition	for Clients of broker
14.06.19	17,277,779	2.07.19	June Placement Options	0	0.043	N/A	0 – exercise price set out below	N/A	Placement options	for Clients of broker
14.06.19	5555556	11.07.19	Shares	0.045	0.044	premium	0.045N/A		Placement for acquisition	for Clients of broker
14.06.19	2,777,778	11.07.19	June Placement Options	0	0.044	N/A	0 – exercise price set out below	N/A	Placement Options	for Clients of broker
14.06.19	17,550,000	11.07.19	Shares	0.10	0.044	Issued at premium	N/A	0.10 per Share	Part acquisition cost of business	for Vendors of Rivium business
23.07.19	6250000	23.07.19	Shares	0.04	0.042	4.8	0.04 per Share	N/A	Placement working capital	for Clients of broker

23.07.19	1000000	23.07.19	Shares	0.045	0.042	Premium	0.045 per Share	N/A	Placement working capital	Clients of brokers
23.07.19	555,556	23.07.19	Shares	0	0.042	N/A	0	N/A	Issued to employee as part of employment contract	employee
23.07.19	180000	23.07.19	Shares	0.5	0.042	Premium	0.5 per Share	N/A	Issued to contractor	contractor
23.07.19	6,705,000	23.07.19	June Placement Options	0	0.042	N/A	0	N/A	Placement options	Clients of broker
23.07.19	300,000	23.07.19	Employee Options	0	0.042	N/A	0	N/A	Issued to employee as part of employment contract	employee
16.09.19	1590000	16.09.19	Shares	0.05	0.045	Premium	0.05	N/A	Issued to contractor	contractor
16.09.19	1000000	16.09.19	Shares	0	0.045	N/A	0	N/A	Issued on conversion of options	Option holder

**Table C Details of options issued:**

<b>Chairman's options</b>	
1,000,000	\$0.10 call options vesting 8 February 2018 expiring 30 November 2021
1,000,000	\$0.125 call options vesting 8 February 2019 expiring 30 November 2021
1,000,000	\$0.15 call options vesting 8 February 2020 expiring 30 November 2021
<b>NED Options</b>	
1,000,000	\$0.10 call options vesting 21 December 2018 expiring 30 November 2021
1,000,000	\$0.125 call options vesting 21 December 2019 expiring 30 November 2021
1,000,000	\$0.15 call options vesting 21 December 2020 expiring 30 November 2021
<b>Feb 19 Options</b>	
10,000,000	Call options exercisable at 5c per option expiring 3 December 2020.

<b>TC Options</b> 33,300 000	Call options exercisable at 5c per option expiring 19 March 2020
<b>June placement options</b> 20,055,557	Call options exercisable at 5c per option expiring 19 March 2020
<b>Employee options</b> 100,000 100,000 100,000 300,000	\$0.10 call options expiring 1 March 2022 \$0.125 call options vesting 1 March 2020 expiring 1 March 2022 \$0.15 call options vesting 1 March 2021 expiring 1 March 2022 \$0.05 call options expiring 22.07.2021
<b>Broker options</b> 1,100,000 500,000	\$0.10 call options expiring 19 March 2021 \$0.10 call options expiring 29 March 2021
<b>Employee Options 2</b> 3,000,000	\$0.075 call options expiring 18.04.2021
<b>Managing Director options</b> See table below	



<b>Series No</b>	<b>Class</b>	<b>number</b>	<b>Date of issue/</b>	<b>vesting condition</b>
Options exercisable at nil consideration	Right to acquire 2,000,000 Shares	Within 1 month of the date of this meeting	Completion of acquisitions adding in excess of \$10m in annual revenue	1 July 2020
Options exercisable at nil consideration	Right to acquire 3,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$50m for 5 consecutive trading days	1 July 2020
Options exercisable at nil consideration	Right to acquire 3,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$75m for 5 consecutive trading days	1 July 2020
Options exercisable at nil consideration	Right to acquire 4,000,000 Shares	Within 1 month of the date of this meeting	The Company achieving a market capitalisation in excess of \$100m for 5 consecutive trading days	1 July 2020
Options exercisable at \$0.015 per option	The number that is 5% of amount of capital raised from investors during the period divided by \$0.15	Within 1 month of the date of this meeting	Recipient to manage raising funds through issues of capital	1 July 2020

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# TESSERENT

ABN 13 605 672 928



TNT  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.30am (Melbourne time) Wednesday 27 November 2019.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Tesseract Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tesseract Limited to be held at BDO, Tower 4, Level 18, 727 Collins Street, Melbourne, Victoria on Friday, 29 November 2019 at 10.30am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6.1, 6.2, 6.3, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6.1, 6.2, 6.3, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6.1, 6.2, 6.3, 7 and 8 by marking the appropriate box in step 2 below.

## Step 2 Items of Business PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6.2	Approval of participation in capital raising - Mr Greg Baxter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.1	Retirement and re-election of a director - Mr Stefano Bertamini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6.3	Approval of participation in capital raising - Mr Stefano Bertamini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.2	Retirement and re-election of a director - Mr Steven Caswell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Increase in aggregate amount payable to non-executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of issue of securities to Mr Julian Challingsworth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9.1	Ratify the Issue of Warrants to Pure Asset Management Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of NED options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9.2	Approve the Issue of Warrants to Pure Asset Management Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.1	Approval of participation in capital raising - Mr Robert Langford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
<input style="width: 90%; height: 25px;" type="text"/>	<input style="width: 90%; height: 25px;" type="text"/>	<input style="width: 90%; height: 25px;" type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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