



Remuneration and Nomination Committee Charter

ReadCloud Limited
ACN 136 815 891

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Document History

Version	Summary of Amendments	Approved by	Approval date
1.0	New Remuneration and Nomination Committee Charter	Board	September 2017
2.0	Biennial Review of the Charter	Board	25 June 2019
3.0	Biennial Review of the Charter	Board	23 March 2020
4.0	Biennial Review of the Charter	Board	21 March 2022
5.0	Biennial Review of the Charter	Board	20 March 2024

Legislative and Regulatory Framework

Authority	Law, Resolution or Regulation
ASX Corporate Governance Council	ASX Corporate Governance Principles and Recommendation (2019) ("ASX Principles")
Australian Government	Corporations Act 2001 (Cth) ("Corporations Act")

Other Policy Details

Key Information	Details
Approval Body	ReadCloud Limited Board of Directors
Key Stakeholders	ReadCloud Limited Board of Directors ReadCloud Limited Senior Management
Responsibility for Implementation	Chief Financial Officer
Policy Custodian	Company Secretary
Next Review Date	March 2026
Reference Policies	Diversity Policy

1. Establishment of Committee

- 1.1 This charter sets out the basis on which the board of directors ("**Board**") of ReadCloud Limited (the "**Company**", "**we**", "**our**", "**us**") has established a Remuneration and Nomination Committee ("**Committee**").

2. Objectives

- 2.1 The objective of the Committee is to assist the Board in establishing remuneration and nomination policies and practices which:
- a. Enable the Company and its subsidiaries ("**Group**") to attract and retain executives and directors (executive and non-executive) who will create sustainable value for members and other stakeholders;
 - b. Fairly and responsibly reward executives and directors having regard to the performance of the Group, the performance of the executives and the external compensation environment; and
 - c. Comply with all relevant legislation and regulations including the ASX Listing Rules and *Corporations Act 2001* (Cth).

3. Committee Membership

3.1 Structure

- a. The Committee will consist of at least three members of the Board.
- b. A majority of members of the Committee will, where possible, be independent directors.
- c. The Chair of the Committee will, where possible, be an independent director and not the Chair of the Board. The Committee Chair will be appointed by the Board.
- d. The Committee will assist the Board to fulfil its oversight responsibilities in respect of remuneration and nomination, including reviewing and determining executive remuneration and performance.
- e. The Board may appoint additional directors to the Committee or remove or replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.
- f. If a Committee member ceases to be a director of the Company, their appointment as a member of the Committee is automatically terminated with immediate effect.
- g. Directors who are non-Committee members may attend all or part of a meeting at the invitation of the Committee Chair, subject to no conflict of interest on the matters being discussed.

3.2 Expertise

At least one member of the Committee must have an understanding of remuneration policies and practices.

3.3 Secretary

The Company Secretary will act as secretary to the Committee, unless otherwise determined by the Committee (“**Secretary**”).

4. Proceedings

4.1 Frequency

- a. The Committee will meet as frequently as required, but not less than once each financial year.
- b. The Secretary or any member of the Committee may call a meeting of the Committee.

4.2 Notice

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

4.3 Supporting Papers

Supporting papers for each meeting of the Committee will be distributed to all members of the Committee as far in advance as possible and, where possible, by the last working day of the week preceding the meeting.

4.4 Attendance

- a. Only members of the Committee are entitled to be present at a Committee meeting.
- b. The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:
 - i. External advisors;
 - ii. Any executives or other employee including any executive directors; or
 - iii. Any other non-executive directors;

and may do so with or without executive management being present.

4.5 Quorum

- a. A quorum for a meeting of the Committee is two members. Where the Committee comprises more than two members, the vote of a majority of the members present will constitute an act of the Committee.

- b. A duly convened meeting of the Committee at which a quorum is present is compelled to exercise all or any of the authorities, powers or discretions vested in, or exercisable by, the Committee.

4.6 Voting at Meetings

- a. The Committee should pursue collective decision-making and seek consensus where possible. The Committee Chair should test consensus and, if a unanimous view cannot be reached, decisions will be based on a majority view.
- b. Each Committee member will have one vote.

4.7 Chair

If any equal number of votes is cast for and against a resolution, the Chair of the Committee does not have a casting vote.

4.8 Constitution

Proceedings of the Committee will be governed by the provisions of the Company's Constitution, in so far as they may be applicable.

4.9 Minutes

- a. Minutes of the Committee meetings will be distributed to members as soon as practicable following the meeting and the minutes as signed by the Chair will be tabled for discussion at the next Board meeting.
- b. All minutes of the Committee must be entered in a minute book maintained for the purpose of recording the proceedings of Committee meetings and will be open at all times for inspection by any director.

5. Authorities

5.1 Access

The Committee has unrestricted access to executive management, all employees and all Company records and to financial and legal advisers.

5.2 Independent advice

- a. The Committee or any members of the Committee may request authorisation from the Board to obtain (at the reasonable cost of the Company) outside legal or other independent professional advice, and to secure the attendance of such advisors if it is considered necessary for the proper performance of the Committee's functions under this Charter.
- b. The Committee may meet with external advisers without management being present.
- c. The Committee also has authority to reasonably require management or others to attend Committee meetings and to provide any information or advice that the Committee requires.

6. Duties and Responsibilities

Without limiting its role, the specific duties and responsibilities of the Committee include the following:

6.1 Senior Executive remuneration

The Committee will:

- a. Determine and agree with the Board the broad policy of the remuneration of the Chief Executive Officer and other members of the senior executive team and make determinations regarding the remuneration of members of the senior executive team and any executive director(s);
- b. Review the Company's overall remuneration policies and strategies, including the incentive schemes and recruitment; and
- c. Ensure that all relevant legal requirements regarding disclosure of remuneration, in all forms, are complied with.

6.2 Incentive and rewards plan

The Committee will review:

- a. on an annual basis the salary of the Chief Executive Officer and executive directors including employee incentive plan participation, report to the Board regarding the remuneration for each executive director (including base pay, incentive payments, equity awards and retirement or severance rights), having regard to the executive remuneration policy and consider whether in respect of any elements of remuneration any shareholders approvals are required;
- b. the proposed remuneration package (including incentive awards, equity awards and service contracts) and other terms and conditions of recruitment, appointment, continuing employment and termination policies and procedures for senior executives, to ensure that they are consistent with the executive remuneration policy;
- c. contractual rights of the senior executive team on termination, and any payments made or proposed, to determine whether they are reasonable in the circumstances;

6.3 Cash-based executive incentive plans

Insofar as they impact on the executive directors and the senior executive team, the Committee will review and approve the:

- a. underlying principles of, and determine targets for, all such executive incentive plans; and
- b. total proposed payments for all such executive incentive plans.

6.4 Equity-based incentive plans

The Committee will monitor and review:

- a. The underlying principles of all equity-based plans for approval by the Board;
- b. All equity-based plans in light of legislative, regulatory, taxation and market developments;
- c. For each equity-based plan, all awards which are proposed under that plan with a view to ensuring compliance with the rules of the relevant plan and the policies of the Committee and the Board in respect of that plan;
- d. The total proposed awards under each plan;
- e. The conditions of grant applicable to each equity-based incentive plan;
- f. Amendments to the rules which are proposed for approval, as permitted under the rules of the plans; and
- g. The proposed exercise of any discretion under a plan and make such determinations as are required to be made under the rules of each plan.

6.5 Non-Executive Directors' remuneration

The remuneration of the non-executive directors will be determined by the Board, within the maximum amount approved by shareholders. The Board may request that the Committee, management or external advisors provide any information required to assist the Board in making its decisions.

6.6 General Remuneration across the Group

The Committee will review and note annually the remuneration trends (including major changes in employee benefit structures) across the Group in its various markets.

6.7 Other duties and responsibilities

Other duties and responsibilities of the Committee include, but are not limited to:

- a. Reviewing this Charter and where necessary making recommendations to the Board for any changes it considers appropriate;
- b. Selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- c. Review the skills matrix setting out the mix of skills and diversity (in line with the Diversity Policy) that the Board currently has or is looking to achieve in its membership and ensure it covers the skills required to address existing and emerging business and governance issues of the Company.
- d. the depth of the senior executive team and the appropriateness of succession planning policies which are in place; and
- e. develop and implement a process for evaluating the performance of the Board, its committees and directors.

6.8 Nomination duties and responsibilities

- a. The nomination duties of the Committee are to:
 - i. develop and regularly review a policy on Board structure;

- ii. develop criteria for Board membership;
 - iii. identify and screen specific candidates for nomination;
 - iv. ensure there is an appropriate induction and orientation program in place;
 - v. make recommendations to the Board for Committee membership;
 - vi. ensure there is an appropriate Board succession plan in place;
 - vii. ensure the performance of the Board and its members is regularly reviewed;
 - viii. develop with directors an appropriate training and development program;
 - ix. oversee management's succession planning including the Chief Executive Officer and his / her direct reports;
 - x. assist the Chair in advising directors about their performance and possible retirement; and
 - xi. review the policy in respect of tenure, remuneration and retirement of directors.
- b. The Company will undertake appropriate checks (including criminal record and bankruptcy checks) before appointing a person, or putting forward to shareholders a candidate for election as a director.
 - c. Shareholders will be provided with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.
 - d. The Company will have a written agreement with each director setting out the terms of their appointment. When appointed to the Board, a new director will receive an induction appropriate to their experience.
 - e. The Company will provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

6.9 Board Approvals

The Board must approve the following (subject to recommendation by the Committee where required under this Charter):

- a. The executive remuneration policy;
- b. The remuneration report to be included in the annual report and accounts;
- c. The design of all equity-based incentive plans; and
- d. The remuneration of the non-executive directors as set out in this charter.

6.10 Committee Approvals

The Committee must approve the following prior to implementation:

- a. Changes to the remuneration or contract terms of executive directors;

- b. The design of new executive equity or cash-based incentive plans and any amendments to current plans;
- c. The total level of awards proposed from equity-based plans or executive cash-based incentive plans; and
- d. Termination payments to executive directors and other members of the senior executive team.

6.11 Special Projects

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board.

7. Reporting to the Board

- 7.1 The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at its next meeting regarding all material matters relevant to the Committee's duties and responsibilities.

8. Disclosure

- 8.1 The Board will make available at the end of each reporting period, the number of times the Committee met throughout that period and the individual attendances of the members at those meetings.
- 8.2 The Board will make available its policies and practices in relation to the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in accordance with the Corporations Act and listing rules.

9. Administration

- 9.1 The Company Secretary is responsible for administering the review of this Charter to ensure its currency. The Chief Executive Officer will be responsible to the Committee for establishing, implementing and reviewing the effectiveness of the Charter and shall periodically report to the Board on the Company's compliance with the Charter.

10. Review

- 10.1 Any questions in relation to this charter should be directed to the Chair of the Committee.
- 10.2 This charter is reviewed **every two years** by the Board.
- 10.3 The Charter will be available on the Company's website within a reasonable time after any such updates or amendments have been approved.