



## Continuous Disclosure Policy

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## Document History

Version	Summary of Amendments	Approved by	Approval date
1.0	New Continuous Disclosure Policy	Board	September 2017
2.0	Annual Review of the Policy	Board	26 March 2019
3.0	Annual Review of the Policy	Board	21 April 2020
4.0	Annual Review of the Policy	Board	19 April 2022
5.0	Annual Review of the Policy	Board	22 April 2024

## Legislative and Regulatory Framework

Authority	Law, Resolution or Regulation
ASX Corporate Governance Council	ASX Corporate Governance Principles and Recommendation (4 <sup>th</sup> Edition) (" <b>ASX Principles</b> ") Recommendation 5.1 – 5.3
Australian Securities Exchange	ASX Listing Rules 3.1 – 3.1B Continuous Disclosure ASX Listing Rules Guidance Note 8 Continuous Disclosure ASX Listing Rule 15.5 ASX Listing Rule 12.6 (collectively " <b>Listing Rules</b> ")
Australian Government	Corporations Act 2001 (Cth) (" <b>Corporations Act</b> ") Section 674 Section 677 Part 7.10A
ASIC	ASIC Regulatory Guide 62

## 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 Executive Officer
Policy Custodian	Company Secretary
Next Review Date	2026

## 1. Continuous Disclosure

1.1. ReadCloud Limited ('**Company**', '**we**', '**our**', '**us**') is committed to:

- a. ensuring that shareholders and the market are provided with full and timely information about its activities;
- b. complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* (Cth);
- c. providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner; and
- d. preventing the selective or inadvertent disclosure of material price sensitive information.

### **Purpose**

- 1.2. This Policy is intended to reinforce the Company's commitment to complying with its continuous disclosure obligations, and to describe the processes and procedures in place that enable the Company to provide security holders and the market with timely disclosure in accordance with those obligations.
- 1.3. This Policy covers financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.
- 1.4. The CEO and Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this Policy. The disclosure officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

### **Guiding Principle**

- 1.5. The Company will immediately notify the market via an announcement to the ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's shares or securities or influence an investment decision on those securities.
- 1.6. The Company will ensure that it does not communicate material price sensitive information to an external party except where that information has previously been disclosed to the ASX.

### **Material Information**

- 1.7. Information is considered material if there is a substantial probability that the information would influence investors in deciding whether to invest in or divest the Company's securities.
- 1.8. Materiality must be assessed having regard to all relevant background information, including past announcements that have been made by the Company and other generally available information.

- 1.9. Strategic or reputational matters clearly have the potential to present significant issues for the Company. Such matters can be equally (or even more) important than financial and other "quantifiable" matters.
- 1.10. A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.
- 1.11. Some examples of information that may require disclosure include:
- a. material changes in actual financial performance or projected financial performance from the previously disclosed actual or projected information;
  - b. events likely to have a material effect on financial performance – either for the current period or over the longer term;
  - c. changes to the Board, senior executives or company secretary;
  - d. mergers, acquisitions, divestments, joint ventures or material changes in assets;
  - e. significant developments in new projects or ventures;
  - f. material changes to capital structure or funding;
  - g. material information affecting joint venture partners or non-wholly owned subsidiaries;
  - h. media or market speculation;
  - i. analyst, broker or media reports based on incorrect or out of date information;
  - j. industry issues which have, or which may have, a material impact on the Company;
  - k. decisions on significant issues affecting the Company by regulatory bodies;
  - l. information that may have an adverse effect on the reputation of the Company;
  - m. new contracts, orders or changes in suppliers that are material to the Company's business;
  - n. material changes in products or product lines;
  - o. the granting or withdrawal of a material licence;
  - p. proposed changes in regulations or laws that could materially affect the Company's business;
  - q. major litigation (brought by or brought against the Company);
  - r. significant changes in the Company's accounting policies;
  - s. any rating applied by a ratings agency to the Company, or securities of the Company and any change to such rating; and
  - t. a proposal to change the Company's auditor.

### **ASX Disclosure Carve-Outs**

- 1.12. Disclosure is not required for material information, where all of the following three requirements are met:
- a. one or more of certain conditions contained in ASX Listing Rule 3.1A.1 are satisfied being:
    - i. it would be a breach of a law to disclose the information;
    - ii. the information concerns an incomplete proposal or negotiation;
    - iii. the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
    - iv. the information is generated for the internal management purposes of the entity; or
    - v. the information is a trade secret; and
  - b. the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
  - c. a reasonable person would not expect the information to be disclosed.

### **False Market**

- 1.13. Irrespective of the above, the Company is required to disclose information if asked to do so by the ASX or where there has been a disclosure or leak of information, in order to correct or prevent a false market.
- 1.14. If ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX that information.
- 1.15. The obligation to give this information arises even if an exception described in clause 1.9 above applies.
- 1.16. ASX would consider that there is or is likely to be a false market in the Company's securities in the following circumstance:
- a. the Company has information that has not been released to the market, for example because an exception in clause 1.9 above applies;
  - b. there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement by the Company to the market; and
  - c. there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the Company's securities.

## 2. Communication Protocols

### **Reporting of Material Information**

- 2.1. The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:
- a. information is determined by the Board, Company Secretary or other employee of the Company as being of a type or nature that may warrant disclosure to the ASX;
  - b. if not known by the Chair, all information should be reported to the Chair;
  - c. the Chair will determine the nature and extent of the information and consult with the Board and Company Secretary to determine the form and content of any ASX Release;
  - d. the Chair will agree on the text of the proposed release and will be responsible for ensuring that the Company establishes a vetting procedure to ensure that the announcements are factual and do not omit any material information. The Chair will also be responsible for ensuring that Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. The Company Secretary may also be required to assist in drafting releases for review and will liaise with the Chair in this regard;
  - e. depending on the nature of the release, the sensitivity of the information and the availability of the Board, the Chair will then determine whether the Board, as a whole, should be involved in the review of the ASX Release;
  - f. the Company Secretary will then release the ASX Release to the market, and ensure that the website is updated;
  - g. the Company will not release publicly any information required to be disclosed through the ASX until cleared by the ASX.

### **Authorised Spokespersons**

- 2.2. Only authorised persons are allowed to make public statements to external parties, shareholders, investors, stockbrokers, analysts or the media in relation to any matters affecting the Company.
- 2.3. The Company's authorised spokesperson is the CEO. In appropriate circumstances, the CEO may from time to time authorise other spokespersons on particular issues and those within their area of expertise.
- 2.4. No employees or consultants are permitted to comment publicly on matters relating to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.

### **Web-based communication**

- 2.5. The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner.

- 2.6. The Company's website shall feature discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include:
- a. corporate governance policies and practices;
  - b. annual reports and results announcements;
  - c. all other company announcements made to the ASX;
  - d. speeches and support material given at investor conferences or presentations; and
  - e. company profile and company contact details.
- 2.7. Announcements lodged with the ASX will be placed on the Company's website as soon as practicable after ASX confirms receipt of that information.
- 2.8. All website information will be continuously reviewed and updated to ensure that information is current, or appropriately dated and archived.
- 2.9. Shareholders are encouraged to provide an email to the share registry to assist with delivering email alerts.

#### **Management Responsibilities**

- 2.10. The Company's officers, employees and contractors must be made aware of this Policy. Employees or contractors must disclose any information which comes to their attention and is believed to potentially be material to the Company Secretary, Chief Executive Officer or Chair.
- 2.11. Officers, employees and contractors must be made aware of the "no comment policy" to external parties on any matters which may be material to the Company.

#### **Trading Halts**

- 2.12. The Company may request a trading halt to maintain orderly trading in the Company's securities. The Company Secretary will manage the process in consultation with the Chair, Chief Executive Officer and Directors as required.

#### **General Meetings**

- 2.13. At all AGMs and other meetings with shareholders, the Chairman of the board is responsible for facilitating and encouraging participation of shareholders.
- 2.14. The Company may consider webcasting and live telecommunications to provide access to shareholders who are unable to attend on an annual basis. Currently no facility is provided.
- 2.15. The Company encourages participation of shareholders and provides proxy forms and opportunities for questions to be asked which will be answered in the meeting.
- 2.16. A representative of the Company's auditor will be present at the AGM to answer any questions regarding the conduct of the audit and the preparation and content of the auditors' report.



### 3. Contact with the Market

- 3.1. Key executives interact regularly with the market on the Company's activities in a number of ways, including briefings, market announcements, and regular updates on industry issues, one-on-one briefing, meetings and educational sessions.
- 3.2. In addition, the Company occasionally provides background and technical information to institutional investors and stockbroking analysts to support announcements made to the ASX about the Company's on-going business activities.
- 3.3. At all times when interacting with external individuals, investors, stockbroking analysts and market participants, the representatives of the Company should adhere to the guiding principle set out in this Policy.

#### **Open Briefings to Institutional Investors and Stockbroking Analysts**

- 3.4. The Company may hold open briefings (ie. where all members of a relevant group are invited) with shareholders, investors and/or stockbroking analysts to discuss information that has been released to the market.
- 3.5. Representatives of the Company are under the obligation of this Policy and should not disclose any material price or value sensitive information that has not been announced to the market generally.
- 3.6. With regards to open briefings, the Company will place any written briefing and presentation materials onto their website at the conclusion of the briefing; and for the purposes of this Policy, public speeches and presentations by the Company's Chair or Chief Executive Officer will be classed as 'open briefings'.

#### **One-on-one Briefings with Stockbrokers, Analysts and Institutional Investors and Shareholders**

- 3.7. It is in the interests of the Company's shareholders that stockbroking analysts have a thorough understanding of the Company's business operations and activities. In addition, other professional investors may seek to better understand certain aspects of the Company's strategy.
- 3.8. From time to time, the Company participates in one-on-one briefings with various investment professionals. At these briefings the Company may provide background and technical information to assist these people in their understanding of the Company's business activities.
- 3.9. The Company's policy is that no previously undisclosed material price or value sensitive information will be disclosed at these briefings.
- 3.10. For the purposes of this Policy a one-on-one briefing includes any communication between the Company and a stockbroking analyst including, for example, phone calls or e-mails made to the Company's Chief Executive Officer. Any written materials to be used at open or one-on-one briefings with institutional investors or stockbroking analysts will be reviewed by the Chief Executive Officer or Chair to ensure all information has

previously been disclosed to the market. Where this is not the case, the information will be disclosed in the manner outlined above.

### **Review of Analyst Reports**

- 3.11. The Company recognises the important role performed by analysts in assisting the establishment of an efficient market with respect to the Company's securities. However, the Company is not responsible for, and does not endorse, analyst reports that contain commentary on the Company.
- 3.12. The Company will not provide non-disclosed material price or value sensitive information in response to such reports. The information may be reviewed only to correct factual inaccuracies. Any correction of factual inaccuracies by the Company does not imply endorsement of the content of these reports.
- 3.13. To avoid inadvertent disclosure of information that may affect the Company's value or share price, the Company's comments on analyst reports will be restricted to:
  - a. information the Company has issued publicly; and
  - b. other information that is in the public domain.
- 3.14. In particular, results of economic studies and earnings forecast guidance will not be provided to the market where this has not been released to the market in general.
- 3.15. Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.

### **Managing Market Speculation and Rumours**

- 3.16. Market speculation and rumours, whether substantiated or not, have a potential to impact the Company's share price. Speculation may also contain factual errors that could materially affect the Company.
- 3.17. The Company's general policy on responding to market speculation and rumours is "no comment", which must be observed by all employees. However, the Company may issue a statement in relation to market speculation or rumour where and when it considers it necessary.
- 3.18. Speculation may result in the ASX formally requesting disclosure by the Company on the matter, in which case the Company will respond to the request.

## **4. Contraventions and penalties**

- 4.1. The Company contravenes its continuous disclosure obligations if it fails to notify ASX of information required by Listing Rule 3.1.
- 4.2. Either ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

### **ASX Listing Rules**

- 4.3. If the Company contravenes its continuous disclosure obligations under the Listing Rules, ASX may suspend quotation of the Company's securities, temporarily halt trading in the Company's securities or, in extreme cases, delist the Company from ASX.

### **Corporations Act**

- 4.4. If the Company contravenes its continuous disclosure obligations, it may also be liable under the Corporations Act and may face:
- a. criminal liability which attracts substantial monetary fines; and
  - b. civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to ASX.
- 4.5. There is no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the circumstances the person ought fairly to be excused for the contravention.
- 4.6. ASIC has the power to issue infringement notices and can initiate investigations of suspected breaches under the Australian Securities and Investments Commission Act 2001 (Cth).

### **Class action risk**

- 4.7. If the Company fails to disclose materially price sensitive information in accordance with Listing Rule 3.1, investors who buy or sell the Company's securities during the period of non-disclosure (and possibly other affected stakeholders) may be entitled to bring a class action against the Company. Even when they are not successful, class actions can be costly to defend and may have a serious negative effect on the Company's reputation and share price. A successful class action could potentially threaten the solvency of the Company.

### **Persons involved in a contravention**

- 4.8. The Company's officers (including its directors), employees or advisers who are involved in any contravention of continuous disclosure obligations may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.
- 4.9. A person will not be considered to be involved in the contravention if the person proves that they:
- a. took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations;
  - b. after doing so, believed on reasonable grounds that the Company was complying with those obligations.
- 4.10. The procedures specified in this Policy are the minimum expected of relevant officers and employees in relation to compliance with the Company's continuous disclosure obligations. Depending on the circumstances, officers and employees may have obligations over and above those contained in this Policy.
- 4.11. To avoid potential civil or criminal liability, in all situations officers and employees must do everything they reasonably can to ensure that the Company complies with its

continuous disclosure obligations. In particular, staff must not try to hid or delay "material news", especially when the information is likely to impact the Company's share price.

#### **Infringement notices and statement of reasons**

- 4.12. If ASIC has reasonable grounds to believe that the Company has contravened its continuous disclosure obligations, ASIC may issue an infringement notice to the Company, providing (among other things) details of the alleged contravention and specifying the penalty.
- 4.13. Before issuing the infringement notice, ASIC must:
- a. give the Company a written statement of reasons; and
  - b. give a representative of the Company an opportunity to appear at a private hearing before ASIC, give evidence and make submissions to ASIC in relation to the alleged contravention.
- 4.14. If an infringement notice is issued to the Company, the Company may:
- a. pay the penalty specified in the infringement notice and lodge the requisite notification with ASX;
  - b. seek an extension of the 28-day compliance period;
  - c. make written representations to ASIC seeking withdrawal of the infringement notice (and, if appropriate, seeking refund of any penalty paid in accordance with the infringement notice); or
  - d. decline to satisfy the infringement notice within the compliance period.
- 4.15. Even when the Company pays the penalty specified in the infringement notice, the Company may still be pursued in the courts by third parties. Paying an infringement notice will **not** prevent shareholders or other affected third parties from bringing a class action.

## **5. Review**

- 5.1. The Board will review this Policy at least every two years or as often as it considers necessary to assess it is operating effectively and consider whether changes are required.
- 5.2. The Board may amend this Policy from time to time by resolution.
- 5.3. Updates and amendments to this Policy will be the responsibility of the Company Secretary.
- 5.4. All new management or other relevant staff will be provided with a copy of this Policy as part of their induction into the Company.
- 5.5. Any updates or amendments as approved by the Board will be notified to appropriate officers and staff by the Company Secretary and corresponding updates and amendments will be made to this Policy and be disclosed on the Company's website.

5.6. The Company Secretary is authorised to make administrative and non-material amendments to this Policy provided that any such amendments are notified to the Board or its delegated committee at or before its next meeting.