



Code of Conduct

Reviewed/Approved by the Board	
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1. Introduction

- 1.1. ReadCloud Limited (**Company**) is committed to promoting good corporate conduct grounded by strong ethics and responsibility.
- 1.2. This Code of Conduct (**Code**) addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the board of directors of the Company (**Board**), and will be published on the Company's website.
- 1.3. This Code applies equally to all directors, employees, contractors and officers of the Company (collectively, the **Employees**).

2. Purpose

- 2.1. All stakeholders are entitled to expect the highest professional standards from Employees. Compliance with this Code and the Company's other policies, will promote compliance with the Corporations Act 2001 (Cth) (**Corporations Act**) and will contribute to the good corporate governance of the Company.

3. General Principles

- 3.1. Employees must act honestly, in good faith and in the best interests of the Company as a whole.
- 3.2. Employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment.
- 3.3. Employees must recognise that their primary responsibility is to the Company's shareholders as a whole but in the context of broader stakeholder interests.
- 3.4. Employees must not take advantage of their position for personal gain, or the gain of their associates.
- 3.5. Directors have an obligation to be independent in their judgements.
- 3.6. Confidential information received by Employees in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
- 3.7. Employees have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this Code.

4. Discharge of Duties

- 4.1. Directors of the Company (**Directors**) must discharge their duties at the highest levels of honesty and integrity, acting in good faith and in the best interests of the whole Company, having regard to their position, and the organisation's goals and objectives. This entails taking personal responsibility for all issues over which they have control, and for addressing in an appropriate manner any observed breaches of laws or regulations. It also requires that the Directors do not act in ways which would lead others to question their commitment to the Company.
- 4.2. All Directors will undertake diligent analysis of all proposals placed before the Board, demonstrate commercial reasonableness in decision-making and will act with a level of skill expected from Directors and key executives of a publicly listed company.

5. Relationships

- 5.1. Performance-enhancing teamwork relies on a workplace where people are treated fairly, are respected by their colleagues, and encourage each other to develop corporately and personally. All Directors and key executives are responsible for making this happen.
- 5.2. The Company is an equal opportunity employer, and discrimination or harassment of any kind will not be tolerated.
- 5.3. In dealings both inside and outside the Company individual Directors will value integrity, accuracy, conciseness and timeliness.
- 5.4. The Company actively supports the principle of equal employment opportunity regardless of race, religion, national origin, sex, age, physical disability, marital status or sexual orientation and expects its senior management and Employees to practise and support this principle.
- 5.5. The Company's policy is to avoid discriminatory practices of any kind and to make employment and career decisions strictly on the basis of individual ability, performance, experience and Company requirements.
- 5.6. The Company believes that every individual has the right to dignity and respect in the workplace. Therefore, the Company regards any personal, physical or sexual harassment as totally unacceptable. That sort of behaviour is unacceptable regardless of whom the perpetrator is, and may lead to the termination of their employment. The use of any medium (including email or the Internet) to disseminate material which is sexually explicit, defamatory, vulgar, or racist is prohibited. The use of Company facilities to access material which is sexually explicit, defamatory, vulgar, or racist is also prohibited. These policies apply to all Employees regardless of their position.

- 5.7. The Company is committed to protecting the health and safety of its Employees, visitors and the public. The Company expects and requires its Employees to comply with Occupational Health and Safety laws and Company policies, including their obligation to report any hazardous conditions in the workplace and any workplace incidents or accidents.

6. Compliance with Laws and Ethics

- 6.1. Employees must respect the laws, customs and business practices of the countries in which the Company operates, without compromising the Code principles. Additionally, Employees must:
- a. comply with the ethical and technical requirements of relevant regulatory and professional bodies;
 - b. comply with and promote ethical behaviour; and
 - c. not engage in conduct likely to bring discredit upon the Company.
- 6.2. The laws that govern the Company's business activities may be complex. Employees are encouraged to contact the Company Secretary if they are unclear about laws or regulations relating to their work. There can be no justification for knowingly breaking the law or for choosing to be uninformed about the law. Good motives are not an excuse for committing illegal acts.

7. Conflicts of Interest

- 7.1. All Directors have an obligation to be independent in judgment and actions and as Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board.
- 7.2. In circumstances where personal interests may conflict with those of the Company, or its stakeholders, steps must be taken by each Director to eliminate or manage such conflict.
- 7.3. Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. Whether an interest is material or not is covered by the materiality threshold set by the Board.
- 7.4. Gifts or entertainment must not be accepted where the acceptance of the gift could create an obligation on the Company to outside parties.
- 7.5. The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur

on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors are not required to absent themselves when either:

- a. the conflict of interest relates to an interest common to all Company members / shareholders; or
- b. the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

8. Related Party Transactions

- 8.1. Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting.
- 8.2. The Corporations Act and the ASX Listing Rules require related party transactions to be approved by the shareholders unless an exemption applies.
- 8.3. The Board has also resolved that where applications are made by a related party, then the relevant Director shall exclude himself / herself from the approval process.
- 8.4. Related party for this process means:
 - a. a spouse or de facto spouse of the Director; or
 - b. a parent, son or daughter of the Director or their spouse or de facto spouse; or
 - c. an entity in which the Director or a related party defined in (1) or (2) has a controlling interest.

9. Privacy and Intellectual Property

- 9.1. Employees may have access to records which contain information that may be of a personal nature, or that the Company has obtained to assist in the management of the business. This information is private and confidential and may not be disclosed to any unauthorised third party.
- 9.2. All intellectual property that Employees generate in relation to the Company and its activities is the property of the Company. Employees are responsible for protecting the Company's intellectual property rights.

10. Confidentiality

- 10.1. Employees who are in possession of commercially sensitive or otherwise confidential information should not disseminate it to colleagues unnecessarily, and must not disclose the information to outside parties.
- 10.2. Employees must ensure that they do not disclose any Confidential Information or Proprietary Information to any third party or other Employee who does not have a valid business reason for receiving that information.
- 10.3. "Confidential Information" in this context means information that the Company considers private and that is not generally available outside the Company.
- 10.4. "Proprietary Information" in this context means information that the Company owns, develops, pays to have developed or to which it has an exclusive right.
- 10.5. If Confidential Information or Proprietary Information is required to be provided to third parties or other Employees for valid business purposes, the Company and its Employees must:
 - a. take adequate precautions to ensure that information is only used for those purposes for which it is provided and is not misused or disseminated to the Company's detriment; and
 - b. ensure that the information is returned or destroyed when the purpose is complete.
- 10.6. Such precautions may include obtaining a confidentiality agreement or other undertaking. Advice about these measures can be obtained from the Company Secretary.
- 10.7. Employees must:
 - a. return all Company property including any documents or Confidential Information or Proprietary Information, on termination or on demand of the Company or its representative; and
 - b. if requested by the Company or its representative, destroy or delete any Confidential Information or Proprietary Information stored in electronic, magnetic or optical form so that it cannot be retrieved or reconstructed.
- 10.8. All individuals are prohibited by law from trading in the Company's securities if they possess commercially sensitive information not released to the ASX. The Board has adopted a Security Trading Policy governing when Employees are able to buy and sell the Company's securities.

11. Use of Company Assets

- 11.1. The Company's assets are critical to its business and future success. The Company's assets can include, for example, office and plant equipment. Employees cannot make personal use of assets without permission.
- 11.2. There will be no unreasonable expenditure on benefits such as gifts or entertainment for Employees or outside parties.

12. Competition

- 12.1. The Company competes fairly in the situations and markets in which it operates. It does not use coercive or misleading practices. Furthermore, the Company does not falsify or wrongly withhold information.

13. Environment, Health and Safety

- 13.1. The Company must take into account the impact of environmental, health and safety issues when making business decisions and in particular, compliance with local laws.

14. Breach of the Code

- 14.1. The Company views breaches of this code as serious misconduct. Employees are under the obligation to ensure that the Code is not breached. Should an Employee notice any violations of this Code, the Executive Director, Chief Executive Officer or the relevant supervisor must be notified. In the case where none of the above persons are available, breaches must be reported to the Chair of the Company.
- 14.2. The reporting of any breaches of this Code will undergo thorough investigation and appropriate actions will be taken by the Company. Any alleged breach of the Code will be dealt with promptly and in fairness. A Director or senior manager must keep the Board informed of any material breaches or any other material breaches of the Code that call into question the culture of the organisation. The Company ensures that any officer or Employee reporting any alleged breach of this Code will not be disadvantaged in any way. Employees must not use the reporting mechanism maliciously or mischievously.
- 14.3. Employees who breach the policies outlined in this Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

15. Review

- 14.4. Any questions in relation to this Code should be directed to the Chair.

14.5. The Board will review this Code of Conduct at least every two years to ensure effective operation and assess whether any changes are necessary. The Company Secretary will communicate any amendments to Employees as appropriate.

ACCEPTANCE FORM

I, _____ (employee), have read, understand and agree to this Code of Conduct. I commit to the required standards of behaviour and practice as outlines in the Code of Conduct.

Employee Signature

Date