



READCLOUD LIMITED
ACN 136 815 891

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Monday, 13 February 2023

Time of Meeting:
11.00am (AEDT)

Location of Meeting: PKF, 12/440 Collins Street, Melbourne VIC 3000 and via Zoom Webinar

Registration Link: For registration to attend virtually via Zoom Webinar, please follow:
https://us06web.zoom.us/webinar/register/WN_Zlx_e-f5TCujlTacmkVmxg

*Following recent modifications brought to the Corporations Act allowing companies to use electronic communications to send meeting materials, **no hard copy** of the Notice of Annual General Meeting and Explanatory Statement will be circulated, except to those Shareholders who have elected to receive a hard copy. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website (<https://readcloud.com/>).*

This Notice of Annual General Meeting and Explanatory Statement should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

READCLOUD LIMITED

ACN 136 815 891

Registered office: Level 1, 126 Church Street, Brighton VIC 3186

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (“AGM” or “Meeting”) of Shareholders of ReadCloud Limited (“Company”) will be held at the offices of PKF, 12/440 Collins Street, Melbourne VIC 3000 and virtually via zoom Webinar at 11.00am (AEDT) on Monday, 13 February 2023

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on the Proxy Form which accompanies this Notice.

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions.

The live webcast can be attended using the following details:

When: Monday, 13 February 2023 at 11.00am (AEDT)
Topic: ReadCloud Limited Annual General Meeting

Register in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_Zlx_e-f5TCujlTacmkVmxg

After registering for the virtual webinar, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to melanie.leydin@vistra.com. Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, includes defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors, for financial year ended 30 September 2022.

Note: Except for Resolution 1, there is no requirement for Shareholders to approve the Financial Report, Directors' Report and the Auditors' Report. Accordingly, no resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 September 2022 be adopted."

Notes: In accordance with section 250R(3) of the Corporations Act, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

A voting exclusion statement as set out below in this Notice applies to this Resolution.

Resolution 2: Election of Mr Jonathan Isaacs as a Director of the Company

"That Mr Jonathan Isaacs, having been nominated to stand for election as a Director of the Company pursuant to Listing Rule 14.3 and Clause 15.6 of the Company's Constitution, be elected as a Director of the Company as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

There are no voting exclusions on this Resolution.

Resolution 3: Election of Mr Lars Lindstrom as a Director of the Company

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

"That Mr Lars Lindstrom, who was appointed as an addition to the Board since the last Annual General Meeting of the Company and who retires pursuant to Listing Rule 14.4 and Clause 15.6 of the Company's Constitution, be elected as a Director of the Company as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

There are no voting exclusions on this Resolution.

Resolution 4: Re-election of Mr Guy Mendelson as a Director of the Company

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

"That Mr Guy Mendelson, who retires by rotation pursuant to Listing Rule 14.4 and Clause 15.4 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company as described in the Explanatory Statement."

There are no voting exclusions on this Resolution.

Resolution 5: Re-election of Mr Cristiano Nicolli as a Director of the Company

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

"That Mr Cristiano Nicolli, who retires by rotation pursuant to Listing Rule 14.4 and Clause 15.4 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company as described in the Explanatory Statement."

There are no voting exclusions on this Resolution.

Resolution 6: Ratification of Prior Issue of 1,875,000 Fully Paid Ordinary Shares

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

"That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the issue of 1,875,000 fully paid ordinary shares in the Company at an issue price of \$0.20 (20 cents) per share on 10 November 2022 as described in the Explanatory Statement which accompanies and forms part of the Notice of the Meeting."

A voting exclusion statement as set out below in this Notice applies to this Resolution.

Resolution 7: Ratification of Prior Issue of 197,368 Fully Paid Ordinary Shares

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

"That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the issue of 197,368 fully paid ordinary shares in the Company at an issue price of \$0.38 (38 cents) per share on 7 December 2022 as described in the Explanatory Statement which accompanies and forms part of the Notice of the Meeting."

A voting exclusion statement as set out below in this Notice applies to this Resolution.

SPECIAL BUSINESS

Resolution 8: Renewal of Proportional Takeover Provision

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, for the purposes of Section 648G(4) of the Corporations Act and for all other purposes the shareholders of the company approve the renewal of Clause 30 of the Company's Constitution as described in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting."

There are no voting exclusions on this Resolution.

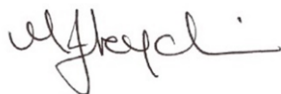
Resolution 9: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the fully paid ordinary issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions in the Explanatory Statement."

There are no voting exclusions on this Resolution.

By order of the Board



Melanie Leydin
Company Secretary
Dated: 13 January 2023

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11.00am (AEDT) on the date 48 hours before the date of the Annual General Meeting on Saturday, 11 February 2023. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting. On a poll, shareholders have one vote for every fully paid ordinary share held.

3. Voting

In accordance with the rules applicable to general meetings using virtual technology pursuant to section 250J of the Corporations Act, each of the resolutions proposed at the Meeting will be decided on a poll.

4. Proxies

- a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- b. Each shareholder has a right to appoint one or two proxies.
- c. A proxy need not be a Shareholder of the Company.
- d. If a Shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
- e. Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- f. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.
- g. A proxy form must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxy forms given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
- h. If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.
- i. To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 11.00am (AEDT) on Saturday, 11 February 2023. Any proxy form received after that time will not be valid for the scheduled meeting.

5. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

6. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 7 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

7. Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is by the Chair of the meeting and the appointment of the Chair as proxy:
 - a. does not specify the way the proxy is to vote on the resolution; and
 - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or the consolidated entity.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on Resolution 1 – see **Restriction on KMPs voting undirected proxies** below.

Resolutions 2, 3, 4, 5 and 8

There are no voting exclusions on this resolution.

Resolutions 6 and 7

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any person who participated in the respective issues of securities addressed by each of these Resolutions or any associates of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 9

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

However, if, between the date of dispatch of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A.2, the Company will disregard votes cast in favour of Resolution 9 by or on behalf of:

- (a) any 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 or ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 9; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Special Resolutions

Resolution 8 and 9 are special resolutions. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

9. Restriction on KMPs voting undirected proxies:

A vote must not be cast as proxy on Resolution 1 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on Resolution 1 as a proxy if:

- (a) The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution(s); and
- (b) The Chair is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution(s) or expressly authorises the Chair to exercise the proxy even though the resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

10. Enquiries

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement (**Statement**) accompanies and forms part of the Company's Notice of Annual General Meeting (**Notice**) for the 2023 Annual General Meeting (**Meeting**).

The Notice incorporates, and should be read together, with this Statement.

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 September 2022 which incorporates the Company's Financial report and the Directors' Report (including the Remuneration Report and the Auditors' Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website: <https://readcloud.com/> or via the Company's announcement platform on ASX (ASX: RCL). Except for as set out in Resolution 1, no resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on the Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company's 2022 Annual Financial Statements.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 30 September 2022 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty-five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this Resolution (set out in the Notice of Annual General Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this Resolution, the Directors unanimously recommend that shareholders vote in favour of this Resolution to adopt the Remuneration Report.

Voting Exclusions

Refer to Note 7 above for voting exclusions.

Resolution 2: Election of Mr Jonathan Isaacs as a Director of the Company

Background

In accordance with ASX Listing Rule 14.3 and Clause 15.6 of the Constitution of the Company, Mr Jonathan Isaacs having been nominated as a Director of the Company, will offer himself for election at the Annual General Meeting.

Mr Isaacs has over 20 years' executive experience as a Manager and Board Member in the corporate sector. Throughout his executive career Mr Isaacs has held Directorships at The Mirabel Foundation; The Advertising Council of Australia; The One Box Foundation and as the CFO / COO of Clemenger Group, Australia's largest marketing communications company.

Currently Mr Isaacs is a consultant for Clemenger Group and the Chair of Tenant CS along with providing advisory services to Taboo Advertising Group and the trip and event planning app Lyfshort. He has led or been a crucial member of a diverse range of senior teams and has extensive experience in delivering positive business results through effective strategy planning and execution, cultural change and leadership initiatives, particularly in the communications industry.

Importantly Mr Isaacs was a founding funder of ReadCloud and remains a Top 10 Shareholder. As part of the original Advisory team to the founders, Mr Isaacs was instrumental in raising capital and providing strategic advice up until the listing on the ASX.

Mr Isaacs holds a Bachelor of Commerce, Accounting and Financial Systems from University of New South Wales; completed Executive Management Programmes at Columbia University and Omnicom University (Harvard); and is a Fellow of The Institute of Chartered Accountants (Australia & New Zealand).

Board Recommendation

The Board recommends that shareholders vote in favour of the election of Mr Isaacs as it considers that his qualifications, experience, skills and expertise are appropriate for the Board position and will enable him to act in the best interests of the Company and its shareholders. The Chair of the meeting intends to vote undirected proxies in favour of Mr Isaacs' election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 3: Election of Mr Lars Lindstrom as a Director of the Company

Background

Clause 15.6 of the Constitution and ASX Listing Rule 14.4 require that a Director (excluding the Managing Director) appointed to fill a casual vacancy or as an addition to the Board must not hold office without re-election past the next Annual General Meeting.

Mr Lars Lindstrom was appointed as Managing Director in 2014 and stepped down from that role on 16 December 2022. Upon his stepping down as Managing Director, Mr Lindstrom was appointed as an Executive Director of the Company by the Board on 16 December 2022. Accordingly, Mr Lindstrom will retire at the Annual General Meeting in accordance with Clause 15.6 of the Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for election.

Mr Lindstrom co-founded ReadCloud in 2009 and has extensive tech start-up experience. Mr Lindstrom was previously a Partner in LundXY Global Ventures (the first investor in Skype) and the CFO/Cofounder of Nyhedsavisen which within one year became the most read newspaper in Denmark publishing over 500,000 copies daily. Mr Lindstrom spent the first 10 years of his career in investment banking/M&A working for Deutsche Bank and Rothschild in Melbourne.

Board Recommendation

The Board (with Mr Lindstrom abstaining) recommends that shareholders vote in favour of the election of Mr Lindstrom as it considers that his qualifications, experience, skills and expertise are appropriate for the Board position and will enable him to act in the best interests of the Company and its shareholders. The Chair of the meeting intends to vote undirected proxies in favour of Mr Lindstrom's election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 4: Re-election of Mr Guy Mendelson as a Director of the Company

Background

Clause 15.4 of the Constitution requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Guy Mendelson being eligible, offers himself for re-election.

Mr Mendelson was appointed as a Non-Executive Director of the Company on 14 May 2018.

Mr Mendelson has extensive strategic and commercial experience at an executive level with 20 years working for ANZ Bank running various businesses. He is currently Managing Director, Business Owners Portfolio within ANZ responsible for the growth and profitability of this business segment. Guy's previous Board experience includes being a BPAY Board Director for four years and a Brotherhood of St Laurence Audit and Risk Committee member for the past 9 years.

The Board considers Mr Mendelson to be an independent director.

Board Recommendation

The Board (with Mr Mendelson abstaining) recommends that shareholders vote in favour of the re-election of Mr Mendelson as it considers that his qualifications, experience, skills and expertise are appropriate for the Board position and will enable him to act in the best interests of the Company and its shareholders. The Chair of the meeting intends to vote undirected proxies in favour of Mr Mendelson's re-election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 5: Re-election of Mr Cristiano Nicolli as a Director of the Company

Background

Clause 15.4 of the Constitution requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Cristiano Nicolli being eligible, offers himself for re-election.

Mr Nicolli was appointed as a Non-Executive Chair of the Company on 9 September 2020.

Mr Nicolli is highly regarded as an influential leader and successful businessman across the technology sector. He has extensive corporate and ASX listed company experience and is a sought after non-executive director. He was the Group Managing Director and CEO of UXC Limited from 2003 to 2016. During that time Mr Nicolli was instrumental in leading the growth and development of UXC to delivering revenue of \$750m, employing 3,000 staff and being widely recognised as the largest and one of the most respected ASX listed IT companies in Australia.

The Board considers Mr Nicolli to be an independent director.

Board Recommendation

The Board (with Mr Nicolli abstaining) recommends that shareholders vote in favour of the re-election of Mr Nicolli as it considers that his qualifications, experience, skills and expertise are appropriate for the Board position and will enable him to act in the best interests of the Company and its shareholders. The Chair of the meeting intends to vote undirected proxies in favour of Mr Nicolli's re-election.

Voting Exclusions

There are no voting exclusions on this resolution.

Resolution 6: Ratification of Prior Issue of 1,875,000 Fully Paid Ordinary Shares

The Company is seeking Shareholder approval pursuant to Listing Rule 7.4 to ratify the prior issue of 1,875,000 fully paid ordinary shares (**Share Issue**) as part consideration (**Consideration**) for the acquisition of Southern Solutions – Training Services Pty Ltd (**Southern Solutions**) as described in the Company's ASX announcement dated 14 October 2022. These shares were issued on 10 November 2022 (**Issue Date**) at an issue price of \$0.20 (20 cents) per share.

Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in Listing Rule 7.2 applies. The issue of Shares for the Consideration, which was made using the Company's 15% placement capacity under Listing Rule 7.1, was within the Company's available placement capacity under Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Listing Rule 7.4 provides that where a company's Shareholders ratify the prior issue of securities made pursuant to Listing Rule 7.1 (provided that the previous issue of securities did not breach Listing Rule 7.1) those securities will be deemed to have been issued with Shareholder approval for the purposes of Listing Rule 7.1.

The prior issue of ordinary shares on 10 November 2022 continues to use the capacity of the Company to issue further securities without Shareholder approval over the 12-month period following the Issue Date. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without Shareholder approval under Listing Rule 7.1.

If Shareholders pass this Resolution, then the shares issued on 10 November 2022 will no longer use the capacity of the Company under the Listing Rules and the Company will be able to issue Equity Securities using the refreshed placement capacity without Shareholder approval over the 12-month period following the Issue Date.

If Shareholders do not pass this Resolution, then the shares issued on 10 November 2022 will continue to use the capacity available to the Company under the Listing Rules effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the Issue Date.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the securities were issued to the vendor of Southern Solutions – Training Services Pty Ltd (Australasian Learning Academy Pty Ltd);
- (b) the number and class of securities issued were 1,875,000 fully paid ordinary shares in the Company. 937,500 of the shares are voluntarily escrowed for 12 months from the Issue Date and 937,500 shares are voluntarily escrowed for 24 months from the Issue Date;
- (c) the shares were issued on 10 November 2022;
- (d) the shares were issued at an issue price of \$0.20 (20 cents) per share;
- (e) the purpose of the Share Issue was as part consideration for the acquisition of Southern Solutions – Training Services Pty Ltd;
- (f) the shares were issued under an acquisition agreement, the material terms of which were:
 - the Company acquired 100% of the issued share capital of Southern Solutions;
 - the consideration for the acquisition comprised:
 - upfront payment of:
 - \$975,000 cash;
 - The Share Issue which is the subject of this Resolution;
 - Earn-out deferred payments of up to \$1.8 million, subject to the achievement of FY23 and FY24 EBIT performance targets and paid with 75% cash and 25% shares at the higher of 20 cents or the share price at the time the earn-out targets are being met;
 - other terms and conditions standard for an agreement of this type.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Note 7 above for voting exclusions.

Resolution 7: Ratification of Prior Issue of 197,368 Fully Paid Ordinary Shares

The Company is seeking Shareholder approval pursuant to Listing Rule 7.4 to ratify the prior issue of 197,358 *fully* paid ordinary shares as deferred consideration (**Deferred Consideration**) for the acquisition of PKY Media Pty Ltd (**PKY Media**) as described in the Company's ASX announcement dated 27 October 2020. These shares were issued on 7 December 2022 (**Issue Date**) at an issue price of \$0.38 (38 cents) per share.

Listing Rules 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in Listing Rule 7.2 applies. The issue of Shares for the Consideration, which was made using the Company's 15% placement capacity under Listing Rule 7.1, was within the Company's available placement capacity under Listing Rule 7.1 and did not fit within any of the Listing Rule 7.2 exceptions.

Listing Rule 7.4 provides that where a company's Shareholders ratify the prior issue of securities made pursuant to Listing Rule 7.1 (provided that the previous issue of securities did not breach Listing Rule 7.1) those securities will be deemed to have been issued with Shareholder approval for the purposes of Listing Rule 7.1.

The prior issue of ordinary shares on 7 December 2022 continues to use the capacity of the Company to issue further securities without Shareholder approval over the 12-month period following the Issue Date. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without Shareholder approval under Listing Rule 7.1.

If Shareholders pass this Resolution, then the shares issued on 7 December 2022 will no longer use the capacity of the Company under the Listing Rules and the Company will be able to issue Equity Securities using the refreshed placement capacity without Shareholder approval over the 12-month period following the Issue Date.

If Shareholders do not pass this Resolution, then the shares issued on 7 December 2022 will continue to use the capacity available to the Company under the Listing Rules effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the Issue Date.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (g) the securities were issued to the vendors of PKY Media Pty Ltd (Kynon Thomas and Peter Frawley, who are not related parties of the Company);
- (a) the number and class of securities issued were 197,368 fully paid ordinary shares in the Company. 98,684 of the shares are voluntarily escrowed for 12 months from to 1 October 2023 and 98,684 shares are voluntarily escrowed for 24 months to 1 October 2024;
- (b) the shares were issued on 7 December 2022;
- (c) the shares were issued at an issue price of \$0.38 (38 cents) per share;
- (d) the purpose of the Share Issue was as deferred consideration for the acquisition of PKY Media Pty Ltd
- (e) the shares were issued under an acquisition agreement, the material terms of which were:
 - the Company acquired 100% of the issued share capital of PKY Media;
 - the consideration for the acquisition comprised:
 - upfront payment of \$1,050,000 cash;
 - up to \$250,000, to be satisfied by the issue of shares in the Company, to be issued at a minimum issue price of \$0.38 per share, on a sliding scale based on COSAMP achieving defined revenue targets for FY21; and
 - up to \$150,000, to be satisfied by the issue of shares in the Company, to be issued at a minimum issue price of \$0.38 per share, on a sliding scale based on COSAMP achieving defined revenue targets for FY22, these shares being the Share Issue which is the subject of this Resolution;
 - other terms and conditions standard for an agreement of this type

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Note 7 above for voting exclusions.

Resolution 8: Renewal of Proportional Takeover Provision

Background

Clause 30 of the Constitution contains provisions dealing with shareholder approval requirements if there was to be any partial takeover bids for the Company's securities (**Proportional Takeover Provisions**).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all shareholders of that class, only part of the securities each holds.

Section 648G(1) of the Corporations Act provides that these Proportional Takeover Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the shareholders. The Board believes it is appropriate that the Proportional Takeover Provisions of the Constitution (Clause 30) be renewed.

In seeking shareholder approval for the renewal of the Proportional Takeover Provisions, the Corporations Act requires the below information to be provided to shareholders.

Effect of provisions proposed to be renewed

Clause 30 of the Constitution provides that the Company is prohibited from registering any transfer of shares giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proportional takeover bid has been approved by shareholders at a general meeting of the Company (**Approving Resolution**). The person making the offer for the securities (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than one half of shareholders who are entitled to vote at that meeting.

Reason for the resolution

Clause 30 of the Constitution is required to be renewed as 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Takeover Provisions such as provided in Clause 30 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables shareholders to approve a renewal of Proportional Takeover Provisions.

The Board believes that shareholders should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Clause 30 needs to be renewed. If Clause 30 is renewed and any proportional takeover bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that shareholder wishes to accept the (proportional takeover) bid for their own securities.

Awareness of current acquisition proposals

As at the date of these Explanatory Notes, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

Advantages and disadvantages of the Proportional Takeover Provisions since last renewed

As there have been no takeover bids made for any of the shares in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Clause 30. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Clause 30.

Potential advantages and disadvantages of the Proportional Takeover Provision for both directors and shareholders

An advantage to the Directors of renewing the Proportional Takeover Provisions is that the Board will be able to assess the shareholder's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Clause 30 provides shareholders with the choice of considering whether to accept a bid for what might become control of the Company without shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Clause 30 is not renewed, shareholders will not have this opportunity.

On the other hand, it may be argued that the renewal of Clause 30 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for shareholders to sell some of their securities.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Note 7 above for voting exclusions.

Resolution 9: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables an eligible entity to issue up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue equity securities under the 10% Placement Facility. The effect of this Resolution is to allow the Directors to issue equity securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without, or in addition to, using the Company's 15% placement capacity under Listing Rule 7.1.

Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of this Annual General Meeting and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of this Annual General Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

The Company will only issue and allot the equity securities approved under the 10% Placement Facility during the 10% Placement Period.

Outcome of this Resolution

If Shareholders approve this Resolution:

- the number of equity securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below); and
- the Company will be able to issue equity securities up to the combined 25% limits in Listing Rules 7.1 and 7.1A without further shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Formula for calculating 10% Placement Facility

The maximum number of equity securities that may be issued by the Company under the 10% Placement Facility pursuant to Listing Rule 7.1A2 is calculated in accordance with the following formula:

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

A is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under 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 shareholders under Listing Rule 7.4.

The ability of an entity to issue equity securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula stated above.

Type and number of equity securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, being Shares, as follows:

- 121,837,289 Shares.

Minimum issue price and cash consideration

The equity securities will be issued for cash consideration at an issue price of not less than 75% of the VWAP for the Company's equity securities in the same class calculated over the 15 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 by the Company and the recipient of the securities; or
- (ii) if the equity securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Purpose of the funds raised

The purposes for which the funds raised by an issue under the 10% Placement Facility may be used by the Company include:

- (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
- (ii) continued expenditure on the Company's current business and/or general working capital.

Dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the dilution table below.

Shareholders may be exposed to economic risk and voting dilution, including the following:

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

which may have an effect on the amount of funds raised by the issue of the equity securities.

The dilution table shows the hypothetical dilution of existing Shareholders on the basis of the market price of Shares as at 22 December 2022 (**Current Share Price**) and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The dilution table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2 | | Issue Price | | |
|--|--------------------------------|---|----------------------------------|---|
| | | \$0.055 50% decrease in Current Share Price | \$0.11 Current Share Price | \$0.22 100% increase in Current Share Price |
| Current Variable A 121,837,289 Shares | 10% Voting Dilution | 12,183,728 Shares | | |
| | Funds raised | \$670,105 | \$1,340,210 | \$2,680,420 |
| 50% increase in current Variable A 182,755,933 Shares | 10% Voting Dilution | 18,275,593 Shares | | |
| | Funds raised | \$1,005,157 | \$2,010,315 | \$4,020,630 |
| 100% increase in current Variable A 274,133,900 Shares | 10% Voting Dilution | 27,413,390 Shares | | |
| | Funds raised | \$1,507,736 | \$3,015,472 | \$6,030,945 |

The dilution table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options are exercised into Shares before the date of the issue of the Equity Securities;
- 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%.
- 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 Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.11 being the closing price of the Shares on ASX on 22 December 2022.

Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the equity securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

Previous issues

The Company:

- (i) has not issued, nor agreed to issue, any equity securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
- (ii) had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any equity securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Special Resolution

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution. This means it requires approval of 75% of the votes cast by Shareholders present or represented, and eligible to vote.

Directors Recommendations

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**15% Capacity**” as the meaning as defined in the Explanatory Statement for Resolution 9;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means ReadCloud Limited ACN 136 815 891;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means this Notice of Meeting including the Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 September 2022 and which is set out in the 2022 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average market price as defined in the Listing Rules.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Saturday, 11 February 2023.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/rclagm2023>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Saturday, 11 February 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/rclagm2023>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **ReadCloud Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **virtually via zoom and in person at the office of PKF Melbourne, 12/440 Collins Street, Melbourne VIC 3000 on Monday, 13 February 2023 at 11:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 & 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this/these Item even though Resolutions 1 & 4 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|-------------------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Election of Mr Jonathan Isaacs as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Election of Mr Lars Lindstrom as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Re-election of Mr Guy Mendelson as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Re-election of Mr Cristiano Nicolli as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Ratification of Prior Issue of 1,875,000 Fully Paid Ordinary Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Ratification of Prior Issue of 197,368 Fully Paid Ordinary Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 Special | Renewal of Proportional Takeover Provision | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 Special | Approval of 10% Placement Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023