

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
CERENCE INC.**

(As Adopted September 2019)

1. Purpose

- 1.1. The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Cerence Inc. (the “**Company**”) shall be to assist the Board in discharging its responsibilities relating to the review, determination and execution of the Company’s compensation philosophy, and the compensation of the Company’s Chief Executive Officer (CEO), other executive officers and other personnel as may be determined by the Board.
- 1.2. The compensation programs for the Company’s executive officers shall (i) be designed to attract, motivate and retain talented executives responsible for the success of the Company, (ii) be determined within a competitive framework, (iii) factor in the achievement of the Company’s overall financial results, individual contributions and compensation philosophy of “pay for performance” and (iv) align the interests of the executive officers with the long-term interests of the Company’s stockholders, thereby incentivizing management to increase stockholder value.

2. Committee Membership & Organization

- 2.1. The Committee shall consist of at least three (3) members. The members of the Committee shall meet the (i) independence and other compensation committee membership requirements of the Nasdaq Stock Market, except as otherwise permitted by the rules of the Nasdaq Stock Market, and (ii) non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended.
- 2.2. The members of the Committee will be appointed by the Board on the recommendation of the Nominating & Governance Committee and will serve at the discretion of the Board.

3. Committee Responsibilities

In addition to such other responsibilities as may be delegated to the Committee from time-to-time by the Board, the Committee shall:

- 3.1. Set the compensation of the CEO and review and approve the compensation of the other executive officers as recommended by the CEO, in each case based on an evaluation of their performance;
- 3.2. Establish annual and long-term performance goals and objectives for the CEO and review the goals approved by the CEO for the other executive officers;
- 3.3. Evaluate the performance of the CEO and review and approve the CEO’s evaluation of the other executive officers in light of their performance goals and objectives;

- 3.4. Approve employment agreements, offers of employment and other elements of compensation and benefits (other than ordinary health, welfare and retirement benefits provided broadly to employees) provided to the CEO and other executive officers;
- 3.5. Approve severance arrangements or plans for the CEO and other executive officers, including change-in-control and similar provisions;
- 3.6. Provide oversight of the Company's overall compensation plans and benefits programs applicable to executive officers, making recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate;
- 3.7. Oversee the administration of the Company's cash and equity-based incentive plans that are shareholder-approved and/or where participants include executive officers and directors;
- 3.8. Review and certify awards under corporate performance-based plans;
- 3.9. Review and discuss with management the Company's overall aggregate equity usage/budget relative to market;
- 3.10. Review and approve the selection of the Company's peer companies for purposes of evaluating the Company's compensation competitiveness and establishing the appropriate positioning of the levels and mix of compensation elements;
- 3.11. Review and discuss with management the Company's "Compensation Discussion and Analysis" or other compensation disclosure included in the Company's annual proxy statement, as applicable, and produce a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the SEC and any other applicable rules and regulations;
- 3.12. Assess enterprise risk associated with executive compensation programs and arrangements, including incentive plans;
- 3.13. Assess the results of the Company's most recent advisory vote on executive compensation and take such assessment into consideration when establishing the compensation of the Company's executive officers;
- 3.14. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval; and
- 3.15. Review annually its own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.

The CEO will not be present for the voting or deliberations by the Committee on the CEO's compensation.

4. Authority

The Committee shall have:

- 4.1. The authority to form, and delegate authority to, one or more subcommittees, comprised of one or more Committee members, which subcommittee(s) shall have the responsibilities and authority delegated to them, including, if so designated, the full responsibility and authority of the Committee with respect to delegated matters;
- 4.2. The authority to obtain advice, reports or opinions from internal or external counsel and other expert advisors at the Company's expense;
- 4.3. The sole authority to retain and terminate any compensation consultant, legal counsel or other advisor to assist in the evaluation of CEO or executive officer compensation, in each case at the Company's expense; and
- 4.4. The sole authority to approve the fees and other retention terms of consultants, legal counsel or other advisors engaged by the Committee.

In selecting advisors, the Committee shall take into account the independence requirements established by law, rule, regulation or order, including, without limitation, Rule 5605(d)(3) of the Nasdaq Listing Rules.

5. Meetings & Minutes

The Committee shall meet at least four (4) times annually and will also meet, as required, in response to the needs of the Board and as necessary to fulfill its responsibilities. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

Meetings may be held telephonically or by other electronic means to the extent permitted by the Company's organizational documents and applicable law. Committee actions may also be taken by unanimous written consent.

6. Reports

The Committee will make regular reports to the Board of Directors related to its activities. The Committee will prepare a report for inclusion in the Company's proxy statement in accordance with the rules and regulations of the SEC.

7. Compensation

Members of the Committee shall receive such compensation, if any, for their service as Committee members in accordance with the Company's standard compensation arrangements for directors. Such compensation may include retainers or per meeting fees as well as equity awards. Fees may be paid in such form of consideration as is determined by the Board based on the recommendations of the Nominating & Governance Committee. Members of the Committee may not receive any compensation from the Company except for the fees that they receive for service as a member of the Board of any committee thereof.