

# Straker Translations Limited

## Board Charter

### 1. Purpose of this charter

This Charter sets out the roles and responsibilities of the Board of Straker Translations Limited (**Straker**) and the manner in which the Board exercises and discharges its roles and responsibilities. It also sets out matters which may be delegated to Straker's senior executive management team.

### 2. Role of the board

The role of Straker's board of directors (the **Board**) is to assume and exercise responsibility for the overall corporate governance and decision making within Straker. The Board determines on behalf of shareholders Straker's strategic direction, regularly reviews the strategic direction of the company and oversees its implementation.

The Board monitors the management and performance of the business by:

#### **2.1 Strategic planning:**

- Reviewing, assessing and approving the strategic plan for Straker.
- Regularly overseeing performance to confirm Straker is being appropriately managed and that its performance is aligned with the strategic plan.
- Focusing Straker's activities on long term shareholder value.

#### **2.2 Governance:**

- Assessing whether an appropriate culture and management framework is in place that requires that Straker:
  - complies with the law and relevant regulations;
  - conforms with the highest standards of behaviour, and has a Code of Conduct that reflects this; and
  - provides a safe and non-discriminatory workplace,and monitoring the effectiveness of that framework.
- Checking that compliance with policies and procedures is properly monitored.

- Adopting clearly defined delegations of authority from the Board to certain members of Straker's senior executive management team (which may, in turn, be delegated), and from the Board to the various committees of the Board.
- Establishing and maintaining an appropriate structure of Board committees to enhance the Board's capacity to fulfil its responsibilities.
- Adopting formal processes for Board renewal and the selection of new directors, and approving director fees.
- Confirming that directors are properly inducted and that all directors are provided with ongoing access to the company's operations, management and information.
- Reviewing the Board's own processes and effectiveness including its committee structure.
- Determining that Straker's governance policies and practices are appropriate and are aligned with interests of shareholders and relevant laws and regulations.
- Overseeing the timely and balanced disclosure of price sensitive information.

### **2.3 Financial:**

- Adopting an annual budget for the financial performance of Straker and monitoring results on a regular basis.
- Confirming that Straker's financial position is sound and that it is able to meet its debts and other obligations when they are due, and that Straker has sufficient financial resources to achieve its strategic plan.
- Overseeing the integrity of Straker's accounting and corporate reporting systems.
- Approving any dividend policy and dividends.
- Determining that satisfactory arrangements are in place for auditing the company's financial affairs, and that the scope of the external audit is adequate.
- Assessing the performance and independence of the external auditors.
- Ensuring that the company is taking appropriate steps to safeguard its assets.

### **2.4 Personnel:**

- Selecting, appointing and, if necessary removing and replacing, the Managing Director, setting an appropriate remuneration package, agreeing appropriate performance indicators and evaluating the performance of the Managing Director.
- Appointing Straker's chairperson of the board.
- Attending to ratification of the appointment or removal of the Chief Financial Officer (**CFO**), chief Operating Officer (**COO**), Chief Technology Officer (**CTO**), Chief Revenue Officer (**CRO**) and other members of Straker's senior executive management team.

- Overseeing appropriate succession plans for the Managing Director and key senior executives.
- Approving the remuneration framework (including employee incentive plans) for executives.
- Approving the remuneration of the non-executive directors.
- Approving policies, practices and measurable objectives for achieving diversity.
- Overseeing equity incentive programs, including employee share option plans.

### **2.5 Operational:**

- Approving an annual operating plan and monitoring results against that plan.
- Determining that Straker has in place accurate and reliable reporting systems, internal controls (both operational and financial) and compliance activities, and monitoring performance.
- Confirming that systems are in place to identify, manage and mitigate significant risks.

## **3. Board composition and structure**

- **Determining board size and composition:** the Board, with guidance from the Nominations and Remuneration Committee, will determine the size and composition of the Board, subject to:
  - the terms of Straker's constitution;
  - applicable law; and
  - ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and taking into account the appropriate mix of skills, knowledge, experience, diversity and independence.
- **Independent directors:** the Board will consist of a majority of independent non-executive directors. The Board will consider and conclude on the independence of its non-executive directors at least once per year, having regard to the relevant factors listed in the current edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
- **Chair:** The chair of the Board (the **Chair**) is appointed by the Board and must be an independent non-executive director. The role of the Chair is to lead the Board, facilitate constructive discussion at Board meetings and ensure that the Board functions effectively. The Chair will establish the agenda for, and frequency of, Board meetings and will chair meetings of shareholders, including Straker's Annual Meeting.

## **4. Process of appointment and re-election of directors**

- **Appointment:** The Board is appointed by the shareholders.
- **Process for director selection:** The process of selection of new directors to the Board is that when a vacancy arises, the Nominations and Remuneration Committee identifies candidates with appropriate

skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board.

- **Process for director appointment:**

- When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with Straker's Constitution, but must stand for election by shareholders at the next Annual Meeting of Straker.
- Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment.
- Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them at Straker's expense.

- **Requirement to retire and process for re-election:** Straker's directors must periodically retire from office in accordance with Straker's Constitution. Retiring directors may be eligible for re-election. Before each Annual Meeting of Straker, the Chair will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of that director (in the absence of the director involved). The Board (excluding the Chair), will conduct the review of the Chair.

## 5. Independence of directors

When determining the independent status of a director, the Board will consider whether the director:

- is a substantial shareholder of Straker (that is, holds 5% or more of the issued voting shares of Straker) or an officer of, or otherwise associated directly with, a substantial shareholder of Straker;
- is employed, or has previously been employed, in an executive capacity by the Straker or another member of the Straker group of companies, and if there has been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a partner, director or senior employee of a material professional adviser or a material consultant to Straker or another member of the Straker group of companies, or an employee materially associated with the service provided;
- is a material supplier or customer of Straker or another member of the Straker group of companies, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with Straker or another member of the Straker group of companies other than as a director of Straker;
- has any close family ties with any person who falls within any of the categories described above; or
- has been a director of Straker for such a period that his or her independence may have been

compromised.

## **6. Rights and Responsibilities of directors**

Directors are expected to at all times act in accordance with legal requirements, and discharge all their duties as directors. Directors must:

- discharge their duties in good faith and in the best interests of Straker and for a proper purpose;
- act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- avoid conflicts of interest except in those circumstances permitted by the applicable law;
- not make improper use of information gained through their position as a director;
- not take improper advantage of their position as a director;
- notify other directors of a material personal interest when a conflict arises;
- in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
- make reasonable enquiries if relying on information or advice provided by others;
- undertake any necessary enquiries in respect of delegates;
- give Straker or the Australian Securities Exchange (**ASX**) all information required by the applicable law; and
- not permit Straker to engage in insolvent trading.

### **Access to board papers and information**

Under the terms of each director's letter of appointment, directors are provided with the right to access board papers of Straker relating to the period of that director's term in office (including minutes, letters, submissions, memoranda, board committee and sub-committee papers and documents referred to in any of those documents) during the period of their appointment and for a seven year period after that director ceases to hold office as a director of Straker.

Under the terms of the appointment letter, during the period of their appointment, directors will also be given access to all appropriate financial and operating information necessary for the performance of their duties, as well as reasonable access to any other information or employees as required for the performance of their duties as director, subject to the provisions of applicable laws.

## **Indemnity and Insurance**

All of Straker's directors are entitled to the benefit of certain indemnities provided under the terms of Straker's constitution, as well as under a Deed of Indemnity entered into between each director and Straker. Under the Deed of Indemnity, the Company must maintain in respect of each Director a directors' and officers' insurance policy which insures each director for at least ten million Australian dollars per incident. against liability as a director and officer of Straker and its related bodies corporate during the period of office of that director and for a period of seven years after the director ceases to hold office as a director of Straker.

## **7. Conduct and Process of Board Meetings**

- All Board meetings will be conducted in accordance with Straker's Constitution and as permitted by law.
- Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- A meeting of the Board will usually be convened by the Chair, although under Straker's Constitution a meeting may be called by any director.
- All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- At a minimum, a quorum of directors under Straker's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by Straker's Constitution. Resolutions of the Board may be passed by circular resolution or in writing in accordance with Straker's Constitution.
- The Board should assess the information that it receives and Board papers will be circulated no later than five business days prior to each Board meeting..
- Non-executive directors will periodically meet without executive directors or management present.
- The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

## **8. Confidential information and external communication**

The Board has established the following principles to apply in respect of information about and held by Straker

and other members of the Straker group of companies:

- **Confidentiality:** all directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information except as required or permitted by law;
- **Chair as spokesperson:** generally, the Chair will speak for Straker and the other members of the Straker group of companies, unless the Board has agreed other spokespersons in accordance with Straker's Continuous Disclosure Policy or Shareholder Communications Policy. Individual members of the Board are expected not to communicate on behalf of the Board or the Straker Group without prior consultation with the Chair; and
- **Continuous disclosure:** all disclosures of materially price-sensitive information to any person must be approved and made in accordance with Straker's Continuous Disclosure Policy, the ASX Listing Rules and as permitted by law.

## 9. Conflicts of interest

If a director considers that they might be in a position where there is a reasonable possibility of conflict between:

- their personal or business interests,
- the interests of any associated person, or
- their duties to any other company,

and the interests of Straker or their duties to Straker or any other members of the Straker group of companies, the Board requires that the director fully and frankly informs the Board about the circumstances giving rise to the conflict; and, unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including review of board papers bearing on the matter.

If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).

## 10. Independent professional advice sought by directors

A director of Straker is entitled to seek independent professional advice (including, but not limited to, legal,

accounting and financial advice) at Straker's expense on any matter connected with the discharge of their responsibilities, in accordance with the procedures and subject to the conditions set out below:

- a director must seek the prior approval of the Chair (or if the Chair is the relevant director, with the approval of the chair of the Audit and Risk Management Committee);
- in seeking the prior approval of the Chair or the Chair of the Audit and Risk Management Committee (as applicable), the director must provide the Chair or the chair of the Audit and Risk Management Committee (as applicable) with details of:
  - the nature of the independent professional advice;
  - the likely cost of seeking the independent professional advice; and
  - details of the independent adviser they propose to instruct;
- the Chair or the chair of the Audit and Risk Management Committee (as applicable) may set a reasonable limit on the amount that Straker will contribute towards the cost of obtaining such advice;
- all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to Straker and the director in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with Straker (in the case of an executive director) or any dispute between the director and Straker except to the extent that such dispute relates to the director's discharge of their duties; and
- unless the Chair or the chair of the Audit and Risk Management Committee (as applicable) otherwise determines, any advice received by an individual director will be circulated to the remainder of the Board.

## **11. Board Committees**

The Board may from time to time establish committees to assist in carrying out its responsibilities and adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees.

The Board will, as a minimum, establish the following committees no later than the time of its listing on the ASX:

- Audit and Risk Management Committee; and
- Nominations and Remuneration Committee.

The Board may also delegate specific functions to *ad hoc* committees from time to time. The powers delegated to such committees will be described in Board resolutions.

## 12. Relationship between the Board and management

- **Delegation of Board powers:** the Board has delegated to the Managing Director all the powers and authorities required to manage the day-to-day operations of Straker's business, except those expressly reserved to the Board or one of its committees, as described in Sections 2 and 11 of this Board Charter. The Managing Director may delegate the management function within such authority limits that have been approved by the Board from time to time. The Managing Director and its delegates must manage Straker's business and day-to-day operations in line with the strategic plan, the annual budget and the strategies approved by the Board for managing risks, at all times exercising good judgment.
- **Accountability to the Board:** the Managing Director is accountable to the Board for the exercise of the delegated authority and must report material matters to the Board with accurate and timely information. The Managing Director must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively, and will have open communications with the Board.
- **Independence of Board and management:** the Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of its senior executive management team. This will include the non-executive directors meeting in the absence of the Managing Director and senior executive management team on a periodic basis.

## 13. Self-review of Board

On an annual basis, the Board, with assistance from the Nominations and Remuneration Committee, will review and evaluate:

- its own performance, including against the requirements of this Board Charter;
- the performance of its committees; and
- the performance of individual directors.

## 14. Review of Charter

The Board Charter will be reviewed at least every two years and may be updated from time to time as and when determined by Straker's board of directors.

**Last reviewed: September 2018**