

# Board Charter

## 1. Overall Purpose / Objective

Flagship Investments Limited (Company) is an investment company listed on the Australian Securities Exchange.

The duties of Directors are generally viewed as:

- 1.1 Acting in good faith in the best interests of the Company and its stakeholders.
- 1.2 Acting with care and diligence.
- 1.3 Avoiding a conflict in the position of a Director and/or any interest that a Director may have;
- and
- 1.4 Complying with requirement that prohibit the misuse of information obtained by Directors.

## 2. Organisation

### *Membership*

- 2.1 The Board will comprise at least three members, of which two will be non-executive Directors.
- 2.2 The Board will establish criteria for membership of the Board and review the composition and performance of the Board periodically.
- 2.3 It is the responsibility of the Board to assess the skills required by the Board, review the re-election of Directors and identification of suitable candidates for appointment to the Board.
- 2.4 The Chairman of the Board will be a non-executive Director and will be nominated by the Board from time to time.
- 2.5 Members will be appointed for a maximum three-year term of office.
- 2.6 A quorum for any meeting will be three members.

### *Attendance at Meetings*

- 2.7 The Board may invite such other persons (eg the Auditor, head of compliance) to its meetings, as it deems necessary.
- 2.8 Meetings shall be held not less than four times a year. Special meetings may be convened as required.
- 2.9 The proceedings of all meetings will be minuted.



### 3. Roles and Responsibilities

#### *The Board will:*

##### **Strategic Direction**

- 3.1 Formulate and document a clear mission statement.
- 3.2 Set the goals for the Company.
- 3.3 Review at reasonable intervals the Company's progress towards attaining its goals.

##### **Financial Health**

- 3.4 Monitor the profitability of the Company and the soundness of the Company's balance sheet to ensure that the Company is solvent.
- 3.5 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the Company.
- 3.6 Review any legal matters, which could significantly impact the Company.

##### **Risk Management**

- 3.7 Gain an understanding of the current and potential areas of financial risk, the potential consequence if occurred and how management is managing these effectively after considering.
- 3.8 Review the performance of the Managing Director and the Investment Manager.

##### **Reporting Responsibilities**

- 3.9 Regularly communicate with all the Company's stakeholders on the performance of the Company against their strategic objectives.
- 3.10 Ensure the Board is aware of and receives reports on any matter, which may impact the financial condition or affairs of the business or on its stakeholders.
- 3.11 Review the interim and annual financial statements and determine whether they are complete and consistent with the information known to Directors; assess whether the financial statements reflect appropriate accounting principles.
- 3.12 Review the annual report before its release and consider whether the information is understandable and consistent with Director's knowledge about the Company and its operations.

##### **Relationship with Executives**

- 3.13 Determine the remuneration package of the Directors, including performance incentives, if any.
- 3.14 Review the performance of the Managing Director.

### 4. Other Responsibilities

- 4.1 Review and update the Charter.