

Clarity Singapore Limited Audit Committee Terms of Reference

Objective

The objective of the Audit Committee (“Committee”) is to ensure the quality and integrity of the accounting, auditing, internal controls and financial practices of the organisation. The Audit Committee shall also facilitate the external (and if applicable internal) audit of the organisation for the Board to obtain independent information about the organisation's activities.

Composition of Committee

The Committee shall consist of at least 3 members. At least 1 member of the Committee must be a member of the Board. The Board will appoint the Chairperson and members of the Committee. The Chairperson of the Committee may or may not be a member of the Board. Committee members will be appointed for a two-year term and re-appointment will be approved by the Board giving consideration to the need for continuity and periodic rotation of Committee members. The Finance Committee Chairperson shall not concurrently chair the Audit Committee. The Chairperson of the Committee shall serve a maximum term of four (4) years.

Members are to conduct themselves with integrity, act in the best interest of Clarity Singapore and ensure confidentiality of information.

Duties and responsibilities:

To support the Board of Clarity to fulfil its oversight responsibilities in the following areas:

1. To review the annual financial statements before submission for Board approval, focusing on significant financial reporting and disclosure process, choice of accounting policies and principles, compliance with statutory and regulatory requirements and other major risk areas.
2. To review the audit plans and reports of the external auditors and internal auditors (if any) and consider the adequacy and effectiveness of the actions taken by management based on the auditors' recommendations.
3. To periodically review key internal processes to ensure compliance with the established procedures, adequacy and effectiveness of controls and report to the Board on the findings and recommendations for improvements.
4. To address organisational risks and risks associated with key processes that have been identified.
5. To oversee regulatory compliance and whistle blower guidelines (where applicable).
6. To report to the Board on any financial irregularities, concerns and opportunities.
7. To liaise with external auditors on any significant matters.
8. To recommend the appointment of external auditors together with Audit fees and to ensure the independence of the external auditor and that Audit Partner's appointment does not exceed continuous 5 years.
9. The Committee shall table to the Board through the Executive Director, any initiatives/projects that have not been given prior approval by the Board.

Review of Terms of Reference

The Terms of Reference for this Committee shall be reviewed every two years to ensure its necessity and relevance. The Committee shall recommend amendments to the Terms of Reference to the Board as necessary.