



FINANCIAL MANAGEMENT & CONTROLS, RESERVES AND LOAN POLICIES

Scope: DAS Group, comprising Dyslexia Association of Singapore (DAS), DAS Academy Ltd, and DAS International Services Ltd.

FINANCIAL MANAGEMENT AND CONTROLS

The Board of Directors (the "Board") is responsible for ensuring that appropriate financial management, internal control and risk management systems are in place to safeguard the assets and resources of the DAS Group and support the effective stewardship of the Group's resources.

The Board approves the annual budget for the Group and regularly reviews and monitors its income, expenditure and financial performance. Documented policies and procedures are in place for key financial matters, including revenue and receipting, procurement, payment procedures, delegation of authority and limits of approval.

Financial responsibilities are appropriately segregated, with delegated authority and approval limits designed to provide appropriate checks and balances over financial transactions.

These policies and procedures, together with relevant forms and templates, are made available to staff through the DAS intranet. They are reviewed and updated when necessary to ensure that they remain relevant and continue to support DAS' operations and governance requirements.

The Audit and Risk Committee assists the Board in overseeing the adequacy and effectiveness of internal controls, risk management and audit processes. DAS appoints an independent external professional firm to perform internal audit reviews, in addition to its annual external audit. Internal audit findings, including identified risks and areas for improvement, are reported to Management, the Audit and Risk Committee and, where appropriate, the Board.

Financial decisions are also subject to DAS' Conflict of Interest Policy, where applicable.

RESERVES POLICY

The mission of the DAS Group is to empower those who learn differently, including those with dyslexia, to achieve their true potential. The Board recognises that maintaining an appropriate level of reserves is an important aspect of its financial stewardship responsibilities. Accordingly, the Board has established a reserves policy to provide financial stability and ensure that the Group is able to continue delivering its programmes and services in a sustainable manner.

The reserves policy is intended to ensure that the Group has sufficient financial resources to:

- continue its operations and fulfil its ongoing commitments;
- manage fluctuations in funding and income;
- respond to unforeseen events and operational risks; and
- support the long-term development of its programmes and strategic initiatives.



For the purposes of the reserves policy, reserves refer to funds that are available for the Group's operating purposes and are not subject to external restrictions, commitments, planned expenditure or spending limits. The Group's reserves comprise the Education Fund and unrestricted funds.

The Group aims to build and maintain reserves towards a level which is at least equivalent to:

Total Reserves = (Total Expenditure – 75% of Government Grant – Net Fees) x 3 years.

The Board reviews the adequacy of the reserves policy and the level of reserves at least annually, taking into account the Group's operating environment, funding outlook, programme commitments and long-term financial sustainability. The reserves policy is disclosed in the Annual Report.

LOANS, DONATIONS, GRANTS AND FINANCIAL ASSISTANCE POLICY

In accordance with the Charity Code of Governance, Board approval is required for any loans, donations, grants or financial assistance provided by DAS which are not part of its core charitable programmes.

Any loans, donations, grants or financial assistance provided by DAS to staff, subsidiaries or third parties must be reviewed and approved in accordance with the applicable approval authority, including the Finance and Investment Committee and/or the Board, where required. Such arrangements must be properly documented, be consistent with DAS' charitable purposes, and comply with applicable laws, regulations and governance policies.