



DYSLEXIA ASSOCIATION OF SINGAPORE'S RELATED PARTY TRANSACTION POLICY

POLICY

Dyslexia Association of Singapore (the "Association") recognizes that related party transactions present a heightened risk of conflicts of interest (or the perception thereof) and therefore the Association has adopted this policy, under which all Related Party Transactions will be subject to approval or ratification in accordance with the procedures set forth in this policy. The Audit Committee may review this policy from time to time and recommend amendments for consideration by the Board.

For the purposes of this policy, Related parties are considered to be related to the Association if the Association has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities. A "Related Party Transaction" is a transaction, arrangement or relationship in which the Association or any of its subsidiaries is a party and the amount of the transaction when aggregated with all similar transactions exceeds \$10K, and in which a Related Person has a direct or indirect material interest.

AUDIT COMMITTEE APPROVAL

The Audit Committee of the Association (the "Committee") will review the relevant facts and circumstances of each Related Party Transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the Related Party's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of the Association's Code of Business Conduct and Ethics, and either approve or disapprove the Related Party Transaction. Any Related Party Transaction will be consummated and will continue only if the Committee has approved or ratified such transaction in accordance with the guidelines set forth in this Policy. If advance Committee approval of a Related Party Transaction requiring the Committee's approval is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Committee at the Committee's next regularly scheduled meeting; provided that if ratification will not be forthcoming, management will make all reasonable efforts to cancel or annul such transaction.

Management will present to the Committee each proposed Related Party Transaction, including all relevant facts and circumstances, and will update the Committee as to any material changes to any approved or ratified Related Party Transaction and will provide a status report at least annually at a regularly scheduled meeting of the Committee of all then current Related Party Transactions.

The Audit Committee will consider all the relevant facts and circumstances, including the benefits to the Company, the potential effect on a director's independence of entering into the transaction, the availability of other sources for the products or services, the terms of the transaction and the terms available to unrelated third parties generally. The Audit Committee may approve Related Party Transactions that it determines in good faith are not inconsistent with the best interests of the Company and its shareholders. The Chair of the Audit Committee will report to the Audit Committee at its next meeting with regard to any approval of a proposed transaction between Committee meetings under this policy. In the event multiple member of the Audit Committee, including the Chair of the Committee, are Related Persons, the Related Party Transaction will be considered by the disinterested members of the Board of Directors in place of the Committee.

INTER-COMPANIES

Many of the Association's transactions and arrangements are with the subsidiaries (ie., DAS Academy Ltd and DAS International Services Ltd). Such transactions were made on terms equivalent to those that prevail in arm's length transactions. The balances with these parties are unsecured, interest free and repayable on demand. All related party transactions go through normal approval processes and necessary disclosures are made in the Notes to Financial Statements of the Annual Report.

Related party transactions include:

- Course fees charged to the Association by a subsidiary
- Administrative expenses charged to a subsidiary by Association
- Trainer fees paid by the Association on behalf of the subsidiaries but borne by the subsidiaries
- Return of grant received in prior years by subsidiaries

DISCLOSURE

All Related Party Transactions are to be disclosed in the Association's financial statements and annual report as required by the Societies Act, the Charities Act and Regulations and CAS. Furthermore, any material Related Party Transaction will be disclosed to the full Executive Committees.

OTHER AGREEMENTS

Management will assure that all Related Party Transactions are not in violation of and are approved in accordance with any requirements of the Association's funding or other material agreements.

DEFINITIONS

For purposes of this policy, a "Related Party" is:

1. A person or a close member of that person's family is related to the Association if that person:
 - i. Has control or joint control over the Association;
 - ii. Has significant influence over the Association; or
 - iii. Is a governing board member, trustee or member of the key management personnel of the Association or of the subsidiaries of the Association.
2. The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); and
3. A person identified above has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
4. Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Association and include: a. That person's children and spouse or domestic partner; b. Children of that person's spouse or domestic partner; and c. Dependents of that person or that person's spouse or domestic partner.