



Audit Committee Charter

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Amended by the Board of Directors: 07 September 2020



1. Purpose

The purpose of the Audit Committee (Committee) of the Board of Directors (Board) of ASLAN Pharmaceuticals Limited (Company) is to oversee the accounting and financial reporting processes of the Company and its subsidiaries and consolidated affiliated entities and the audits of the financial statements of the Company.

2. Composition of the Committee

The Committee shall consist of three or more directors as determined from time to time by the Board. Each member of the Committee shall satisfy the “independence” requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq Stock Market, as applicable, and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (Exchange Act), and any additional requirements that the Board deems appropriate.

The chairperson of the Committee shall be designated by the Board, provided that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by the Board. No member of the Committee shall be removed except by the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be designated by the Board to be an “audit committee financial expert,” within the meaning of Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended, as adopted by the United States Securities and Exchange Commission (SEC) pursuant to the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act).

3. Convening of Meetings

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall meet separately on a periodic basis with (i) management, (ii) the person in charge of the Company’s internal audit department or other personnel responsible for the internal audit function and (iii) the Company’s independent auditors, in each case to discuss any matters that the Committee or any of the above persons or firms believe warrant the Committee’s attention.

A majority of the members of the Committee, whether present in person or by means of a telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other, shall constitute a quorum.

There is no requirement to provide advance notice to call the meeting, however the Committee may give three days advance notice and send the meeting materials to the Committee members, the members of management and others who have been invited to attend. The Committee shall maintain appropriately detailed minutes of its meetings and records relating to its meetings.



4. Attendance and Voting

When a meeting of the Committee is held, an attendance book shall be made available for signing by the independent director members in attendance and thereafter made available for reference.

Independent director members shall attend meetings of the Committee in person; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorisation with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one-half or more of all the members. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is not possible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the Board of Directors.

The proxy under paragraph 2 may accept a proxy from one person only.

5. Duties and Responsibilities of the Committee

In carrying out its duties and responsibilities, the Committee's policies and procedures shall remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee and, consistent with and subject to applicable law and rules and regulations promulgated by the SEC, the applicable stock exchange, or any other applicable regulatory authority, the Committee shall, to the extent appropriate to fulfil its overall duties and responsibilities:

5.1 Selection, Evaluation and Oversight of the Auditors

- (a) *Appointment and Oversight.* The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of any disagreements between Company management and the independent auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor and each such other registered public accounting firm must report directly to the Committee. The Committee, or the chairperson of the Committee, must pre-approve any audit and non-audit service provided to the Company by the independent auditor, unless the engagement is entered into pursuant to appropriate preapproval policies established by the Committee or if such service falls within available exceptions under SEC rules.



- (b) *Annual Report and Evaluation on Independence.* The Committee must ensure that the independent auditor prepares and delivers, at least annually, a written statement delineating all relationships between the independent auditor and the Company, must actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor, and, if the Committee determines that further inquiry is advisable, must take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.
- (c) *Monitoring compliance* by the Company's independent auditors with the audit partner rotation requirements contained in the Sarbanes-Oxley Act and the rules and regulations promulgated by the SEC thereunder; monitoring compliance by the Company with the employee conflict of interest requirements contained in the Sarbanes-Oxley Act and the rules and regulations promulgated by the SEC thereunder; and
- (d) *Engaging in a dialogue with the independent auditors* to confirm that audit partner compensation is consistent with applicable SEC rules.

5.2 Oversight of Annual Audit and Quarterly Reviews

- (a) *Review and Discussion.* The Audit Committee shall review and discuss with the Company's management and independent auditor the Company's audited financial statements, including the matters required to be discussed and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (or like phrase) prior to the filing of the Company's Annual Report on the Form 20-F.
- (b) *Audit Committee Report.* The Audit Committee shall prepare an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual meeting of security holders.
- (c) *Independent Auditor Review of Interim Financial Statements.* The Audit Committee shall direct the independent auditor to use its best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Audit Committee and any matters identified in connection with the auditor's review of interim financial information which are required to be discussed by applicable auditing standards. The Audit Committee shall direct management to advise the Audit Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent auditor's review of interim financial information.

5.3 Oversight of Financial Reporting Process and Internal Controls

- (a) Review:
 - (i) the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry, discussions and periodic meetings with the Company's independent auditors, management and the person in charge of internal audit department;



- (ii) the yearly report prepared by management, and attested to by the Company's independent auditors, assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 20-F; and
 - (iii) the Committee's level of involvement and interaction with the Company's internal audit function, including the Committee's line of authority and role in appointing and compensating employees in the internal audit function;
- (b) Review with the Company's chief executive officer, the Company's chief financial officer and the Company's independent auditors, periodically, the following:
 - (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
 - (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;
- (c) Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal audit department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- (d) Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, direct the Company's chief executive officer to assign additional internal audit projects to the person in charge of the Company's internal audit department.

5.4 Miscellaneous

- (a) Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings required to be disclosed by Item 7.B of Form 20-F (related party transactions);
- (b) Meet periodically with the Company's internal legal counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on the financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees or agents or breaches of fiduciary duty to the Company;
- (c) Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets, and consider the results of any review of these policies and procedures by the Company's independent auditors;



- (d) Review and pre-approve proposed transactions or course of dealings required to be disclosed by Item 7.B of Form 20-F (related party transactions);
- (e) Review and approve in advance any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family;
- (f) Review the Company's program to monitor compliance with the Company's Code of Business Conduct and Ethics, and meet periodically with the Company's Compliance Officer to discuss compliance with the Code of Business Conduct and Ethics;
- (g) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters;
- (h) Establish procedures for the receipt, retention and treatment of reports of evidence of a material violation made by attorneys appearing and practicing before the SEC in the representation of the Company or any of its subsidiaries, or reports made by the Company's chief executive officer or internal legal counsel in relation thereto;
- (i) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company;
- (j) Review and assess the adequacy of this Charter on an annual basis; and
- (k) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

6. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance. The evaluation shall address all matters that the Committee considers relevant to its performance, including a review and assessment of the adequacy of this Charter, and shall be conducted in such manner as the Committee deems appropriate. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter.

7. Investigations and Studies; Outside Advisers

The Committee may conduct or authorise investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.