

Audit Committee

Terms of Reference

(updated on 21 Oct 2022)

1. Responsible To

- 1.1 The Audit Committee (hereafter the “Committee”) is formed under the governance of the Hong Kong Breast Cancer Foundation Limited (“HKBCF”), and shall be responsible to the Management Committee of the HKBCF (hereafter the “Management Committee”). The formation of the Audit Committee is approved by the Management Committee on 19 Feb 2019.

2. Objectives

- 2.1 The Committee aims to assist the Management Committee to fulfill its corporate governance and oversee responsibilities in relation to financial reporting, risk management, internal controls, external audit and compliance with relevant laws, regulations and code, which may include, but not limited to the following:

2.1.1 to be primarily responsible for making recommendations to the Management Committee on the appointment, reappointment and removal of the internal and external auditors, and to approve the remuneration and terms of engagement of the internal and external auditors, and any issues related to its resignation or dismissal;

2.1.2 to review the audit plans and reports of the external auditor and internal auditor, and considers the effectiveness of the actions taken having regard to auditors’ recommendation;

2.1.3 to liaise with auditors on any significant matters arising;

2.1.4 to oversee the financial reporting and disclosure process, and review the accounting policies and principles adopted;

2.1.5 to interact with the Chief Executive Officer and to understand and review internal checks on key processes;

2. Objectives (continued)

2.1.6 to report to the Management Committee of any financial irregularities, concerns and opportunities;

2.1.7 to advise the system of risk management and internal control is adequate in identifying and managing risks;

2.1.8 to oversee HKBCF's policy and procedures on regulatory compliance;

2.1.9 to conduct any investigation within its scope of authority as delegated by the Management Committee.

3. Composition

3.1 The Committee shall consist of no less than three members. All Committee members shall be independent member (i.e non-member of the Management Committee and/or non-executive of HKBCF). At least one of the members shall be Certified Public Accountant or financial expert. Professionals and experts in the field who can make special contribution may be co-opted by the Committee.

3.2 The Committee shall be chaired by the Chairman. Committee members shall be appointed by the Management Committee. In case of his/her absence, one member of the Committee appointed by the meeting, shall preside.

3.3 Members have to determine among themselves and select one of the members to attend the Management Committee meeting immediately after the Audit Committee meeting.

3.4 The Chief Executive Officer shall be in attendance. The Internal Auditor is expected to attend. Other relevant staff member(s) of HKBCF as recommended by the Chief Executive Officer can be invited to attend after consultation with the Chairperson of the Committee.

3.5 The Secretary of the Committee shall be the Head of Finance.

4. Terms of Office

4.1 The term of office of members shall be two years, ending on 31st December of the relevant year, subject to review and re-invitation by the Management Committee. For those appointed in the middle of the term, the membership shall be completed in line with other existing members.

5. Meeting

5.1 Regular meetings will be convened by agreement among Committee members, at least twice a year, one of which has to be held with the internal and external auditors.

5.2 The Chairperson may, at his/her discretion, convene meetings of the Committee at any time as deemed necessary.

6. Agenda

6.1 An agenda shall be prepared by the Secretary of the Committee and forwarded together with any other discussion materials to the members one week before each meeting (or such other period as the members may agree).

7. Quorum

7.1 Three members of the Committee present at the meeting shall form a quorum of meeting.

7.2 Member can attend the meeting in person or via electronic means including telephone or videoconferencing.

8. Resolution

8.1 Resolution of the Audit Committee should be passed, in the case of a meeting, by more than half of the members of the Audit Committee attending such meeting. Electronic means is also acceptable.

9. Minutes of Meetings

9.1 The Secretary of the Committee shall prepare minutes of all meetings and distribute to the members of the Committee no later than 3 weeks after the meeting.

9.2 Copy of minutes should be circulated to the Management Committee and tabled in agenda of the next Management Committee meeting.

9.3 The Secretary of the Committee shall keep minutes and notes of all meetings, record of decisions, actions and recommendations discussed at the meeting in the manner as adopted by HKBCF.

10. Administrative Expenses

10.1 Such expenses as may be necessary for the administration of the Committee shall be the responsibility of HKBCF.

11. Review of Terms of Reference

11.1 The terms of reference shall be annually reviewed by the Committee. Any substantial modifications to the terms of reference shall be approved by the Management Committee.