ASX Announcement
11 March 2021

Update on Education Australia Shareholding

IDP Education Limited (ASX: IEL) ("IDP") wishes to inform the market that it has been advised that, following a period of consultation, the Board of Education Australia Limited ("Education Australia") has entered into an agreement with The British Council and The Chancellor Masters and Scholars of the University of Cambridge acting by the University of Cambridge Local Examinations Syndicate regarding a restructure of Education Australia's shareholding in IDP (the "Restructure").

Under the Restructure, Education Australia will deal with its 40% shareholding in IDP by:

• making an in specie distribution of a 25% shareholding in IDP to all of its 38 University shareholders, with those shareholders each becoming the direct owner of 1,831,159 shares in IDP; and

• divesting its remaining 15% shareholding in IDP via a market selldown, which must occur by no later than 11 December 2021.

Attached is a copy of Education Australia's media release which provides further detail regarding the Restructure (including the conditions that must be fulfilled to enable the Restructure to proceed).

The Restructure will not impact IDP's operations or strategy.

As part of the Restructure, IDP has agreed to not propose or recommend any amendments to the 'Director Majority Requirement' in its Constitution (subject to a fiduciary exception). In broad terms, the 'Director Majority Requirement' requires that a majority of IDP directors be (a) where Education Australia has voting power in IDP of at least 10% – either independent or a representative of Education Australia, or (b) in all other circumstances – independent.¹

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¹ See sections 7.9.13 and 7.9.14 of IDP's IPO prospectus dated 12 November 2015 for further information regarding the 'Director Majority Requirement'.
Education Australia Limited today announced that its 38 Australian University shareholders are considering a proposal to take up direct ownership in IDP Education Limited ("IDP") through a transformative restructuring of Education Australia’s 40% shareholding in IDP (the “Proposed Transaction”).

If approved, the Proposed Transaction would unlock value for 38 Australian Universities, who each currently have an equal shareholding in Education Australia. The Proposed Transaction would enable each shareholder to directly control its investment in IDP and benefit from further participation in IDP’s growth should it choose, while at the same time preserving IDP’s independence and broadening IDP’s publicly traded shareholder base.

Under the Proposed Transaction, Education Australia will restructure its 40% shareholding in IDP by:

- making an in specie distribution of a 25% shareholding in IDP to all of its 38 University shareholders (see Annexure), with those shareholders each becoming the direct owner of 1,831,159 shares in IDP; and
- divesting its remaining 15% shareholding in IDP via a market selldown, which must occur by no later than 11 December 2021, with Education Australia’s current intention to give preference to shareholders of IDP in the selldown.

Most of the proceeds of the selldown will be used by Education Australia to pay the capital gains tax liability arising from the Proposed Transaction. The associated franking credits will be distributed to Education Australia’s shareholders under the in specie distribution which will be implemented as a fully franked dividend.

The British Council (the “Council”) and The Chancellor Masters and Scholars of the University of Cambridge acting by the University of Cambridge Local Examinations Syndicate ("UCLES") have consented to the Proposed Transaction in accordance with their respective rights under the Consent Deed, which was entered into by the Council, UCLES and Education Australia as part of IDP’s initial public offering in 2015. The Consent Deed currently restricts Education Australia from dealing with its investment in IDP without the Council’s and UCLES’s consent.

As a condition of the consent provided, certain restrictions will be imposed on all of the 38 Universities in relation to any future divestment of their IDP shares. In particular:

- from the date on which the 15% market selldown is completed (the “Effective Date”), each University will not be able to dispose of any of their direct shareholding in IDP for a period of six months (the "Initial Escrow Period");
- in the six months following the Initial Escrow Period each University may dispose of up to 50% of their direct shareholding in IDP (including on-market in the ordinary course of trading); and
after the first anniversary of the Effective Date each University is free to dispose of 100% of their direct
shareholding in IDP (including on-market in the ordinary course of trading).

provided that no IDP shares sold by a University at any time are to a person engaged in the production,
distribution and/or administration of any English language test, including certain competitors of the
Council, UCLES or IELTS, or to a person whose reputation or standing would be reasonably likely to have a
material adverse effect on the reputation or good standing of IELTS, the Council or UCLES.

The restrictions that apply until the first anniversary of the Effective Date do not prevent any University
from selling their relevant shares in IDP to another University.

The Proposed Transaction requires a number of approvals before it can be implemented:

- Under the constitution of Education Australia, the Proposed Transaction must be approved by an
ordinary resolution of Education Australia Shareholders at an extraordinary general meeting (“EGM”),
as it represents a disposal of Education Australia’s main undertaking. The EGM is scheduled to be held
on 13 April 2021;

- Each and every Education Australia Shareholder must enter into an agreement with the Council and
UCLES undertaking to comply with the restrictions outlined above. The process for obtaining this
undertaking from each Education Australia shareholder has commenced, but there is no certainty as to
whether, or when, these undertakings will be executed; and

- The public Queensland Universities require the approval of the Queensland Treasury in order to
participate in the Proposed Transaction due to Queensland specific legislation. An application for this
approval has been lodged.

Should the Proposed Transaction be completed, Education Australia will no longer hold any shares in IDP.
The impact of the Proposed Transaction on the calculation of IDP’s free float for index weighting purposes
has not yet been discussed with S&P.

Education Australia Chairman, Greg West, said the Proposed Transaction would represent a significant
milestone for Education Australia:

“The Australian University sector, through Education Australia, has been involved with the IDP business
since its formation 50 years ago. Education Australia and its 38 Australian University shareholders have
been delighted to see the transformation of IDP into an independent ASX listed company. IDP has grown
successfully and is now a global leader in high stakes English Language testing and international higher
education student placement. The Education Australia shareholders acknowledge the role of IDP’s senior
management in identifying the opportunity to build an Australian-listed, global champion of international
education and in realising that opportunity so effectively.”

“The Education Australia Board is delighted to put forward the Proposed Transaction, which both unlocks
value for our University shareholders, and enables IDP to continue its growth as an independent entity.”

Education Australia is being advised on the Proposed Transaction by Flagstaff Partners and MinterEllison.

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1 IELTS is the International English Language Testing System, one of the world’s leading high stakes English language
tests, jointly owned by the Council, UCLES and IDP.
### Annexure

| Australian Catholic University Limited | Swinburne University of Technology |
| Bond University Limited | The Australian National University |
| Central Queensland University | The University of Adelaide |
| Charles Darwin University | The University of Melbourne |
| Charles Sturt University | The University of New England |
| Curtin University of Technology | The University of New South Wales |
| Deakin University | The University of Newcastle |
| Edith Cowan University | The University of Queensland |
| Federation University | The University of Sydney |
| Flinders University | The University of Western Australia |
| Griffith University | University of Canberra |
| James Cook University | University of South Australia |
| La Trobe University | University of Southern Queensland |
| Macquarie University | University of Tasmania |
| Monash University | University of Technology, Sydney |
| Murdoch University | University of the Sunshine Coast |
| Queensland University of Technology | UOWGE Limited (University of Wollongong) |
| RMIT University | Western Sydney University |
| Southern Cross University | Victoria University |