

IDP Education Limited

Audit and Risk Committee Charter

1 Purpose and Authority

1.1 Purpose

The purpose of this Audit and Risk Committee Charter is to specify the authority delegated to the Audit and Risk Committee (**Committee**) by the board of directors (**Board**) of IDP Education Limited (the **Company**) and to set out the role, responsibilities, membership and operation of the Committee.

1.2 Authority

The Committee is a committee of the Board established in accordance with the Company's constitution and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of the Board granted to it from time to time.

2 Role of the Committee

The role of the Committee is to assist the Board in carrying out its accounting, auditing, financial reporting and risk management and compliance responsibilities, including oversight of:

- (a) the integrity of the Company's external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Company's external auditors;
- (c) the performance of the external audit function and review of their audits;
- (d) the effectiveness of the Company's system of risk management and internal controls; and
- (e) the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

3 Audit and risk responsibilities

3.1 External reporting

The Committee is responsible for:

- (a) reviewing the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports;
- (b) overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- (c) assessing significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments and seeking verification of those estimates from external auditors;
- (d) reviewing other sensitive matters in the financial reports, such as the disclosure of unusual, non-recurring, complex or related party transactions;
- (e) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information;

- (f) assessing (before publication) whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;
- (g) reviewing material documents and reports prepared for lodgement with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment;
- (h) ensuring that a comprehensive process is established to capture issues for the purpose of continuous disclosure reporting to ASX;
- (i) reviewing the completeness and accuracy of the Company's main corporate governance practices as required by ASX Listing Rules and ASX Corporate Governance Principles and Recommendations;
- (j) assessing information from external auditors that affects the quality of financial reports;
- (k) asking the external auditor for an independent judgment about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by the Company;
- (l) assessing solvency and the going concern assumption;
- (m) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;
- (n) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the anonymous submission of concerns by personnel regarding accounting and auditing matters;
- (o) reviewing any material changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements, policies and practices; and
- (p) recommending to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them.

3.2 External audit

The Committee provides a link between the external auditor and the Board and has the responsibility and authority for the appointment and removal of the external auditor.

The Committee is responsible for:

- (a) reviewing the Company's external audit policy that sets out in detail matters relating to external auditor independence, guidelines for non-audit services and other requirements;
- (b) making recommendations to the Board on the appointment and remuneration of the external auditor and, if appropriate, recommending that tenders be called to assist in deciding which external auditor should be recommended;
- (c) agreeing the terms of engagement of the external auditor before the start of each audit;
- (d) reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (e) monitoring the effectiveness and independence of the external auditor, and periodically assessing their performance (including reviewing and assessing the independence of the external auditor on an annual basis);
- (f) assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence and, if required, developing policies for Board approval to ensure this does not occur;

- (g) making recommendations to the Board on the replacement of the external auditor;
- (h) ensuring that any recommendation to replace the external auditor is carefully evaluated before the Board makes a final decision;
- (i) inviting the external auditor to attend Committee meetings to review the external audit plan, discuss audit results and consider the implications of external audit findings;
- (j) reviewing the scope of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- (k) raising with the external auditor any specific points of divergence with the Company's management;
- (l) monitoring and examining management's response to the external auditor's findings and recommendations;
- (m) reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;
- (n) meeting with the external auditor without management present at least once a year to discuss the quality of the Company's accounting principles, material judgements, and any other matters that the Committee or external auditors deem appropriate;
- (o) establishing and making publicly available in the corporate governance section of the Company's website information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners; and
- (p) obtaining an independence declaration from the external auditor, as required.

3.3 Internal control and risk management

The Committee is responsible for:

- (a) preparing a risk profile which describes the material risks facing the Company including financial and non-financial matters;
- (b) regularly reviewing and updating the risk profile;
- (c) ensuring that the Company has an effective risk management system;
- (d) reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
- (e) examining and evaluating the effectiveness of the internal control system with management, internal auditors and external auditors and making improvements;
- (f) making recommendations to the Board in relation to the main risks that could affect the Company's prospects in future financial years, including environmental and social risks, for inclusion in the annual report;
- (g) making publicly available a description of the Company's risk management policy and internal control system in the corporate governance section of the Company's website;
- (h) evaluating the adequacy and effectiveness of the management reporting and the internal control systems used to manage risk;
- (i) evaluating the structure and adequacy of the Company's insurances on an annual basis;
- (j) meeting periodically with key management, internal auditors, external auditors and compliance staff to understand the Company's control environment.

3.4 Internal Audit

The Committee is responsible for:

- (a) approving the appointment or removal of the Head of Group Internal Audit (or equivalent);
- (b) approving the Group Internal Audit charter and monitoring compliance with the charter;
- (c) approving the annual internal audit plan including resourcing, considering its coverage of material risks at the global level and monitoring progress against the plan;
- (d) assessing the performance, independence and objectivity of the Group Internal Audit function;
- (e) reviewing the results of internal audits undertaken and the issues raised by them and monitoring management's responsiveness to Group Internal Audits findings and recommendations including management's progress in resolving them; and
- (f) maintaining a separate reporting line from Group Internal Audit to the Committee, via the Committee Chair, to permit full and frank exchange of information.

3.5 Compliance responsibilities

The Committee is responsible for:

- (a) assessing and ensuring that there are internal processes for determining and managing key risk and compliance areas, such as:
 - (i) non-compliance with laws, regulations, standards including industrial relations, occupational health and safety, environmental and trade practices laws and privacy and information security;
 - (ii) important judgments and accounting estimates;
 - (iii) business licence requirements;
 - (iv) litigation and claims;
 - (v) fraud and theft; and
 - (vi) relevant business risks not dealt with by other Board committees;
- (b) receiving reports concerning material and actual incidents within the risk areas above and ensuring that material risks are reported to the Board at least annually;
- (c) overseeing investigations of breaches or potential breaches of internal controls, and incidents within the risk areas above, particularly in relation to accounts and financial reporting;
- (d) reviewing the Company's policy framework;
- (e) reviewing the process for communicating the Company's policies to employees and for monitoring compliance with those policies;
- (f) encouraging voluntary reporting by employees to the Committee of breaches of internal controls and the Company's policies, and incidents within the areas above;
- (g) receiving periodic reports from management on the operation of, and incidents or breaches reported under, the Company's policies including the Whistleblower Protection Policy and ensuring that material incidents and breaches are reported to the Board;
- (h) reviewing the findings of any examinations by regulatory agencies and authorities; and
- (i) reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other ASX corporate governance requirements

4 Related party transactions

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

5 Membership

5.1 Composition and size

The Committee will consist of:

- (a) only non-executive directors;
- (b) a majority of independent directors; and
- (c) at least three members.

The Board is responsible for the appointment of members to the Committee, for setting the term of member appointments and for the revocation of any such appointments.

5.2 Chairperson

The Chair of the Committee must be an independent non-executive director who is not the Chair of the Board. The Chair of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may choose one of their members to be the Chair for the meeting.

5.3 Technical expertise

The Committee must be structured so that:

- (a) all members are financially literate, that is, are able to read and understand financial statements;
- (b) at least one member has financial expertise, that is, is an accountant or financial professional with experience of financial and accounting matters; and
- (c) some members have an understanding of the industry in which the Company operates.

5.4 Skills development

If the Committee Chair approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Company's expense.

5.5 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

5.6 Secretary

The Company Secretary (or another person nominated by the Board) is the secretary of the Committee.

6 Committee meetings and processes

6.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions of the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

6.2 Frequency and calling of meetings

The Committee will meet as frequently as required to undertake its role effectively, but not less than quarterly. The Chair must call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chair of the Board.

6.3 Quorum

Two directors constitute a quorum for meetings of the Committee.

6.4 Attendance by management and advisors

The Chief Executive Officer and Chief Financial Officer are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors.

The Committee Chair may invite any person from time to time to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

6.5 Independent advice and access to information and advisors

The Chair of the Committee receives all reports between the external auditor and management.

The Committee is authorised to obtain independent professional or other advice in the fulfilment of its duties at the cost of the Company (subject to prior consultation with the Chair of the Board).

The Committee has unrestricted access to management and authority to obtain such resources and information from the Company, in the fulfilment of its duties, as it may reasonably require.

The Committee has unrestricted access to internal and external auditors without management present. Committee members are entitled to rely on information, advice and assurances provided by management and professional advisers, as long as they are not aware of any grounds that would make such reliance inappropriate.

6.6 Minutes and reporting

The secretary will keep minutes to record the proceedings and resolutions of the Committee. The Chair of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

7 Review of Committee's performance

The Committee will review its role and responsibilities and evaluate the effectiveness of its performance at least annually, or earlier if circumstances dictate.

8 Currency and Review of Charter

This Charter was adopted by the Board on 8 December 2021. The Board will review this Charter to ensure it remains relevant to the current needs of the Company and the Board. This Charter may be amended by resolution of the Board. This Charter will be made available on the Company's website and the key features will be published in the annual report.