

IDP Education Limited

Risk Management Policy

1 Context

IDP Education Limited (the **Company**) is a leading student placement agency providing comprehensive consultation services to international students studying in Australia to assist them to find the best study option. Our growth and success depends on our ability to understand and respond to the challenges of an uncertain and changing world. This uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, we provide greater certainty and confidence for all our shareholders.

2 Scope

This Policy applies to all of the Company's business and operations. The Company assesses risk against all relevant areas of material business risk including those arising in the following categories:

- (a) financial;
- (b) business disruption;
- (c) regulatory/legal;
- (d) strategic;
- (e) reputational and image;
- (f) health and safety; and
- (g) human resources.

3 Purpose

This Policy is a statement of the overall approach to risk management for the Company. The overriding purpose of the risk management policy is to ensure that:

- (a) appropriate systems are in place to identify material risks that may impact in the Company's business;
- (b) the financial impact of risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks; and
- (c) appropriate responsibility is delegated to control the identified risks effectively.

This Policy is supported by the Risk Management Operational Policy and is to be read in conjunction with the Company's other policies including the Code of Business Conduct, the Fraud Prevention Policy, the Anti-Bribery and Corruption Policy and the Whistleblowing Policy.

4 Principles of Risk Management

The effective management of risk is vital to the continued growth and success of the Company. For risk management to be effective, all operations must apply the following principles to the context of their particular business and its objectives:

- (a) risk management must create and protect value;
- (b) risk management is integrated into organisational processes and embedded in the Company's culture;

- (c) explicit risk management helps decision-makers make informed choices;
- (d) risk management is focused on the sources of uncertainty around the achievement of objectives;
- (e) risk management must be tailored to the context and fit for purpose; and
- (f) risk management is dynamic, iterative and responsive to change.

5 Risk Management Process

The Company has adopted the risk management process described in the Australian/New Zealand Standard (*AS/NZS ISO 31000:2009 Risk management – Principles and guidelines*), as described in the Risk Management Operational Policy. All risk management systems and methodologies must be consistent with this process.

6 Responsibility

Responsibility for risk management is shared across the Company.

Key responsibilities include:

- (a) The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board.
- (b) The Audit and Risk Committee assists the Board in overseeing the Company's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.
- (c) The internal audit function is independent of the external auditor. The Chief Executive Officer and other senior management is responsible for periodically reviewing the Company's risk profile, fostering a risk-aware culture and reporting to the Audit and Risk Committee on the effectiveness of the risk management framework and of the Company's management of its material business risks.
- (d) The Company also relies on the skill, experience and judgment of its employees to take decisions within the framework of this policy and the Risk Management Operational Policy, and to communicate openly on all risk related matters.

7 Currency and Review of Policy

This Policy was adopted by the Board on 12 November 2015.

The Board will review this Policy to ensure it remains relevant to the current needs of the Company and the Board. This Policy may be amended by resolution of the Board.