

IDP Education Limited 2021 Corporate Governance Statement

The Board of IDP Education Limited (“IDP” or “the Company”) is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of IDP. In conducting the business with these objectives, the Board seeks to ensure that IDP is properly managed to protect and enhance shareholder interests, and that IDP and its directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing IDP, including adopting relevant internal controls, risk management processes and practices which it believes are appropriate for IDP’s business and which are designed to promote the responsible management and conduct of IDP.

The Company regularly reviews its governance practices and corporate governance policies to reflect the growth and strategy of the Company, current legislation and best practice. A review was completed following the release of the fourth edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations, effective 1 July 2020. The Board is pleased to report that most of IDP’s established practices were already in line with the new recommendations.

During the year the Company has had in place policies and practices which comply, except as noted, with the recommendations in the fourth edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations.

The key aspects of IDP’s corporate governance framework and primary corporate governance practices are outlined below.

Roles and Responsibilities of the Board and Management

The Board has responsibility for setting and maintaining corporate integrity, behaviours and accountability. The Board operates in accordance with the IDP Board Charter, which is available on the IDP website. The Board Charter sets out the functions reserved to the Board. The Board reviews and approves the Board Charter to ensure it remains consistent with the Board’s objectives and responsibilities.

Board Responsibilities

The responsibilities of the Board, as set out in the Board Charter, include:

- (a) Strategy – reviewing strategic direction and approving corporate strategic initiatives developed by management;
- (b) Financial performance – reviewing the Company’s budget, monitoring management and financial performance;
- (c) Risk management – together with the Audit and Risk Committee, overseeing the effectiveness of risk management and compliance in the organisation, including the Code of Conduct and legal compliance;
- (d) Financial and other reporting – including considering and approving the Company’s half-yearly and annual financial statements – and monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- (e) Board performance and composition – together with the Nomination Committee, evaluating the performance of the Board, and determining its size and composition;
- (f) Leadership selection – evaluating the performance of, selecting and (where appropriate) removing, the CEO, the CFO and the Company Secretary;
- (g) Succession and remuneration planning – together with the Nomination Committee and the Remuneration Committee, planning for Board, CEO and senior executive succession and remuneration, and settling non-executive director remuneration within shareholder approved limits;
- (h) CEO remuneration – the remuneration of the CEO is the responsibility of the Board in direct consultation with the Remuneration Committee;
- (i) Social responsibility – considering the social, ethical and environmental impact of the Company’s activities and operations and setting standards and monitoring compliance with the Company’s social responsibilities and practices;
- (j) Major expenditure and capital initiatives in excess of authority levels delegated to management – approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;

- (k) Corporate governance – reviewing and monitoring the Company's corporate governance policies and practices;
- (l) External auditor – together with the Audit and Risk Committee, selecting and recommending to shareholders the appointment of the external auditor; and
- (m) Performing such other functions as are prescribed by law or are assigned to the Board.

Management Responsibilities

The Board has delegated authority over the day to day management of the Company and its operations to the CEO and the senior executive team. This delegation of authority includes responsibility for:

- (a) developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating the Company's businesses within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses;
- (c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- (d) identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;
- (e) managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- (f) implementing the Company's internal controls and procedures for monitoring these controls and ensuring that these controls and procedures are appropriate and effective;
- (g) taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- (h) implementing all policies, processes and codes of conduct approved by the Board.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings. The roles and responsibilities of the Company Secretary are set out in the Board Charter.

All directors have an opportunity to communicate directly with the Company Secretary.

Board Composition and Size

The size of the Board is determined by the Board, with the support of the Nomination Committee and subject to the limits contained in the Company's Constitution. The minimum number of directors is three and the maximum is fixed by the Board but may not be more than eight, unless a shareholder resolution is passed.

The Board comprises the following directors at the date of this report:

| Name | Position | Appointed |
|------------------------------|---|---------------|
| Peter Polson | Independent Non-Executive Director and Chair | March 2007 |
| Andrew Barkla | Managing Director and Chief Executive Officer | August 2015 |
| Ariane Barker | Independent Non-Executive Director | November 2015 |
| Professor David Battersby AM | Non-Executive Director * | February 2011 |
| Chris Leptos AM | Independent Non-Executive Director | November 2015 |
| Professor Colin Stirling | Non-Executive Director * | February 2018 |
| Greg West | Non-Executive Director * | December 2006 |

* Professor David Battersby, Professor Colin Stirling and Greg West were directors of the Company's major shareholder, Education Australia Limited during FY21 and as such were not considered to be independent directors for the purposes of the Constitution.

Director Independence

The Company's Constitution requires that the Chair will be an independent director. Mr Peter Polson is an independent director. The roles of Chair and CEO are not exercised by the same individual. The Company's Constitution requires that a majority of the Board is to be comprised of "A Class" directors. "A Class" directors are Education Australia Limited affiliated directors as well as independent directors. With the exception of Mr Barkla, all directors on the Board are "A Class" directors.

Recommendation 2.4 of the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that "a majority of the board of a listed entity should be independent directors".

During FY21, the Board did not comprise a majority of independent directors and as such did not comply with Recommendation 2.4. Notwithstanding that a majority of the Board was not comprised of independent directors, the Board considered that, collectively, the directors bring an objective and independent judgement to its decision-making processes and that each of the directors make a valuable contribution to the Company. Furthermore, the directors believe that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as directors.

On 11 March 2021, Education Australia announced its intention to undertake a restructure of its shareholding in the Company. The restructure was completed on 30 August 2021. The restructure involved all of the shares held by Education Australia in the Company ceasing to be held by Education Australia ("EA Restructure"). Following completion of the EA Restructure and in accordance with the Company's Constitution, Professor David Battersby, Professor Colin Stirling and Greg West can now be considered independent directors. It is therefore expected that the Company will meet the requirements of Recommendation 2.4 in FY22.

Directors are able to access members of senior management to request relevant information in their role as a non-executive director. Directors are entitled to seek independent professional advice at the Company's expense relating to their role as a director, subject to prior consultation with the Chair.

Board Skills and Experience

It is the Board's policy that the directors comprise an appropriate mix of skills to provide the necessary breadth and depth of knowledge and experience to meet the Board's responsibilities and objectives. It is intended that the Board will be made up of directors with a broad range of skills, expertise and experience, and from a diverse range of backgrounds, including gender. For further information on the directors, please refer to the Directors' Report in the 30 June 2021 Annual Report.

The skills matrix below sets out the Board's current view of the required mix of skills and experience. Its structure reflects the areas relevant to the business of the Company. Each area is adequately represented by the Board. Directors are encouraged to continue with ongoing professional development to maintain the skills and knowledge to perform their roles effectively.

| Board Skills Matrix | |
|----------------------------|---|
| Category | Description |
| Leadership and strategy | Experience in senior leadership roles and strategic mindset. Experience on the boards of other entities and managing through periods of rapid change. |
| Corporate governance | Understanding of key governance issues and regulatory framework. Public company corporate governance literacy. |
| Financial acumen | Senior executive experience in financial accounting, analysing financial statements, capital structure and financial controls. Experience in mergers and acquisitions and capital markets transactions. |
| Education services | Experience in international higher education and education policy. |
| International experience | Experience in organisations with significant international operations, and exposure to a range of geographic, political, cultural, regulatory and business environments. |
| People and remuneration | Experience in remuneration regulation and structuring and people related issues. |
| Technology and digital | Experience in product development and service delivery leveraging technology, digital platforms, data analytics and technology infrastructure. |
| Risk and compliance | Ability to identify key risks related to each area of the business. Ability to monitor effectiveness of risk and compliance function. |

Appointment of New Directors

It is the role of the Nomination Committee to identify suitable candidates to complement the existing Board and to make recommendations to the Board on their appointment. The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.

The Company's Constitution also allows for nominations for candidates to be submitted at least 45 business days before any general meeting or at least 30 business days before a meeting requested by shareholders.

Where a candidate is recommended by the Nomination Committee or nominated prior to a general meeting, the Board will assess that candidate against a range of criteria including, but not limited to:

- (a) the skills, experience, expertise and personal qualities and attributes that will best complement Board effectiveness;
- (b) the diversity of Board composition;
- (c) the capability of the candidate to devote the necessary time and commitment to the role; and
- (d) potential conflicts of interest, and independence.

Before appointing a director, the Company undertakes comprehensive checks including directorships, identifying conflicts of interest, character reference, criminal history, bankruptcy and disqualified company director checks.

An offer of a Board appointment must be made by the Chair only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.

If all criteria are met and the Board appoints the candidate as a director, that director must have their appointment confirmed at the next Annual General Meeting. Details of directors being elected, or re-elected, are set out in the explanatory notes to the Notice of Annual General Meeting, as well as in the Directors' Report in the Annual Report.

Induction of New Directors and Ongoing Director Development

New directors are provided with a formal letter of appointment which sets out the terms of their appointment, including their obligations and responsibilities, required time commitment, requirement to disclose any interests that conflict or other interests and matters affecting independence.

The Nomination Committee is responsible for the induction of all new directors. The IDP Director Induction framework has been established to ensure that new Board members are suitably prepared to fulfil the requirements of their role and contribute appropriately to the operation of the Board. The framework covers aspects relating to the Company's vision and strategy, financial performance, and operational and risk management positions. In addition, comprehensive briefings with the Chair, CEO, senior executives and management are provided to assist them in understanding the business, its values and culture and the industry it operates in.

Appropriate professional development opportunities for directors are also provided in order to allow directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. On an ongoing basis, directors are provided with presentations and briefings on key developments affecting the Company and the industry and environment in which it operates. The Board considers the adequacy of professional development opportunities for directors as part of its annual Board survey.

Board Remuneration and Performance Review

The Nomination Committee oversees the development and implementation of a process for the evaluation of the performance the Board, Board Committees, and directors individually, using both measurable and qualitative indicators and assisting the Board and the Chair, as required, in evaluating the performance of the Board, its Committees and individual directors. The aim of the internal Board performance review is to ensure that individual directors and the Board as a whole work effectively in meeting their responsibilities as described in the Board Charter.

The Nomination Committee is also responsible for reviewing the performance of the Chair and reporting the results of the evaluation to the Board.

Board effectiveness is monitored through an annual survey assessing the effectiveness of the Board's performance against key responsibilities. The survey also addresses the effectiveness of the Board Committees in assisting the Board to meet its responsibilities. Upon completion of the survey, a report is produced which is discussed with the Board.

The Board undertook a survey of its performance during 2021 and the results considered and discussed by the Board.

The Remuneration Committee assists and advises the Board on remuneration policies and practices for non-executive directors, executive directors and senior executives. The policies and practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- (b) be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and
- (c) comply with relevant legal requirements.

Remuneration is detailed within the Remuneration Report in the 2021 Annual Report, explaining the remuneration components, equity performance incentives and post-employment benefits awarded to executive and non-executive directors and senior executives.

Executive Remuneration and Performance Review

A formal evaluation of the performance of the CEO and senior executives occurs annually. Mutually agreed upon annual performance targets are set and performance against these targets are monitored and assessed annually.

An evaluation of the CEO's and other senior executives' performance was conducted in July 2021 in accordance with the arrangements described above.

Further information is contained under the heading "Remuneration Report" in the 2021 Annual Report.

Securities Trading Policy

The Company's Securities Trading Policy governs when Company Personnel, defined as including directors, officers and employees, may deal in IDP securities and the process which must be followed in respect of such dealings.

The Securities Trading Policy includes prohibiting Company Personnel from entering into any transaction or arrangement, including by way of derivatives, hedges or similar financial products, which limit the economic risk of holding unvested entitlements in Company Securities allocated under a Company incentive scheme.

The IDP Securities Trading Policy is available on the Investor Centre on the IDP website.

Diversity and Inclusion

In FY21 the Board considered and approved amendments to our Diversity and Inclusion policy to further emphasise our focus on creating inclusive work environments for all our people around the world. Our policy sets out six guiding principles and aligned to these are three strategic focus areas which centre around delivering diverse talent pools as the pipeline to building a diverse workforce, as well as creating inclusive, fair and respectful workplaces.

We consider diversity in all its forms and it is through the measurable objectives that we take pragmatic and sustainable actions to make a difference for our people. In FY21 the Board approved 8 measurable objectives and despite resourcing being reassigned to support the business's response to the global pandemic, 7 of these were completed in the period and one remains in progress as set out in the table below.

As part of the FY21 program of work, the global five-year strategic roadmap for Diversity and Inclusion was co designed with representatives from each region and business line, resulting in a roadmap that reflects the aspirations and ambitions of our people. The following table summarises the measurable objectives, deliverables and progress towards achieving diversity, including gender diversity.

| Measurable Objectives & Progress | |
|---|---|
| Diverse Talent Pools | |
| Strategically build IDPs online presence to attract priority talent | <p>Deliverable</p> <p>Develop an employment brand and candidate engagement strategy focused on meeting priority talent needs;</p> <ul style="list-style-type: none"> Establish ambassadors to share content to support priority hiring; Map the candidate's journey and key touch points; and Review talent technology to deliver a seamless candidate experience. <p>Progress – Completed</p> <p>Our aspiration is for our candidates to have a digital experience equivalent to our customers as we endeavor to attract a wide range of talent to support our future growth and key initiatives.</p> <p>The employment brand was refreshed through global co design sessions run with representatives from each region and business line and the candidate engagement strategy, employer brand and key messaging for each employee persona were approved by the Global Leadership Team (GLT).</p> <p>With the candidate journey mapped and our ambassadors identified, content was developed to begin building IDPs online presence to attract priority talent with initial signs of success appearing promising. We believe this will further enhance our ability to attract skilled candidates who represent the communities we operate in and strengthen our customer's experience.</p> |
| Expand talent pools to provide a strong pipeline of required skills and experience to continually | <p>Deliverable</p> <p>Gender balanced shortlists required for all roles that report directly to a member of our GLT.</p> <p>Progress – Completed</p> |

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| <p>build diversity in our workforce</p> | <p>Our commitment to identifying outstanding talent for leadership positions in our business continues, coupled with a goal of increasing the number of women holding senior leadership roles.</p> <p>While we continue our practice of appointing on merit, our increased focus on achieving gender balance has led us to work with executive search partners to reshape senior leadership roles on occasion to support the identification and subsequent appointment of talented women through commitment to gender balanced shortlists.</p> <p>In FY21 we introduced a contractual requirement for our executive search partners globally to provide merit based, gender balanced shortlists as a first step in redressing the gender imbalance in senior leadership roles in our business.</p> <p>Deliverable</p> <p>The GLT Working Group championing the development of IDP women to;</p> <ul style="list-style-type: none"> • Set a structured development pathway to P&L and functional leadership roles • Set criteria, identify and select women for short/mid/long term development • Select program sponsors and mentors • Identify challenging developmental assignments • Evaluate the Australian pilot of appointing women on internal subsidiary boards for global rollout <p>Progress – In Progress</p> <p>While progress was made with this objective, it was not completed during the performance period as necessary resourcing was realigned to priorities arising from the global pandemic. The importance of this program of work is such that it was decided to delay to ensure the quality and the outcome was not impacted.</p> |
| <p>Inclusion</p> | |
| <p>Identify key inclusion touch points and opportunities for improvement in the employee lifecycle</p> | <p>Deliverable</p> <p>Codesign with the global people experience (PX) team an employee journey map to identify key points to improve inclusion across the employee lifecycle</p> <p>Progress – Completed</p> <p>The global PX team codesigned the employee journey map and identified key touch points where inclusion could be positively impacted across the employee life cycle.</p> |
| <p>Share a consistent view of our values and meet ASX Corporate Governance Recommendations</p> | <p>Deliverable</p> <p>Identify and articulate IDP's statement of global values delivering;</p> <ul style="list-style-type: none"> • Statement of values articulated and approved by the GLT and Board • Employees to receive training on the values • Manual process established to advise the Board of any material breaches of the Code of Conduct and proportionate disciplinary action <p>Progress – Completed</p> <p>IDP's values underpin the way we engage with our customers and our teams all around the world. In line with the requirements introduced by the ASX Corporate Governance Council a number of actions were taken to ensure that the Company's values were consistently shared throughout the business.</p> <p>Given the need for globally consistent training that could be delivered virtually in today's environment, our values training was refreshed and released as our first gamified training experience for employees to an overwhelmingly positive and enthusiastic response.</p> |
| <p>Improve hiring manager skills to identify biases impacting recruitment decisions</p> | <p>Deliverable</p> <p>Deliver unconscious bias training to GLT and selected key business leaders driving talent acquisition</p> <p>Progress – Completed</p> <p>Leaders play a crucial role in recognizing bias in our workplaces, particularly as we seek to attract people from underrepresented groups into the business, the</p> |

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| | <p>importance of being open to differences is crucial and senior leaders have significant influence on talent decisions.</p> <p>In FY20 we piloted unconscious bias training to ensure it was well received across the different cultures we operate within. With the pilot successful, all hiring managers and members of our GLT completed unconscious bias training in FY21, supporting our commitment to identifying unconscious barriers to difference and providing our people with open and inclusive workplaces.</p> |
| Fair and Respectful Workplaces | |
| Consider parental leave benefits | <p>Deliverable Review global parental leave entitlements</p> <p>Progress – Completed The World Bank in its report, 'Women, Business and the Law 2020' analyses the laws and regulations affecting women's economic opportunity and provides a framework for considering the barriers faced.</p> <p>At the time of the review the report indicated there was no legal entitlement to paid parental leave in 4 countries the business operates in and there were 7 countries where employees they can legally be dismissed for falling pregnant. In this environment the policy settings of the Company take on added significance.</p> <p>With over 60% of our global workforce being women and the average age of our men and women being 34, it was important to understand the statutory benefits available to our people as they establish and grow their family. The review was completed and recommendations for change identified for action so that the Company does more to support women in our business on their life journey.</p> |

Recommendation 1.5 of the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that "If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period."

Due to the inclusion of directors representing Education Australia, the Company did not control the composition of the entire Board during FY21 and as such was unable to adopt a gender diversity target. The Board has not adopted the measurable objective for achieving gender diversity in the composition of its Board and as such does not fully comply with Recommendation 1.5. The Company is mindful of moving towards this objective and notes that the composition of independent directors met this objective during FY21. The table below sets out the ratio of men and women on the Board and in various roles within the Company as reported in the annual Workplace Gender Equality Agency submission.

| Role Category | % Women (as at 31 March 2021) | % Women (as at 31 March 2020) |
|---|----------------------------------|----------------------------------|
| Women non-executive directors of IDP Education Ltd | 17% | 17% |
| Women executives of IDP Education Ltd (direct reports to the CEO) | 20% | 20% |
| Combined representation of women Executives and Senior Managers (two levels removed from the CEO) within IDP Education Ltd in Australia | 32% | 22% |
| Other women employed within IDP Education Ltd in Australia | 63% | 64% |

Board Committees

The Board is supported by the following Committees:

- Remuneration Committee;
- Nomination Committee; and
- Audit and Risk Committee.

Remuneration Committee

The Remuneration Committee Charter, which is available on the Investor Centre on the IDP website, requires that the Remuneration Committee is to comprise a minimum of three members, a majority of whom are independent and at least one of whom is an “A Class” director. The Charter also requires that the Chair of the Remuneration Committee be an independent director. Other directors that are not members of the Committee and executives attend by invitation.

The current members of the Remuneration Committee are:

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|----------------------|--|
| Peter Polson (Chair) | Independent Non-Executive Director/ A Class Director |
| Ariane Barker | Independent Non-Executive Director/ A Class Director |
| Chris Leptos | Independent Non-Executive Director/ A Class Director |

The majority of the Committee members, including the Chair, are independent.

The number of times the Remuneration Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are set out in the 2021 Directors' Report.

The Remuneration Committee Charter sets out its role and responsibilities. The Committee assists and advises the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company. The policies and practices are designed to:

- enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders within an appropriate risk management framework, by providing remuneration packages that are equitable and externally competitive;
- be fair and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and
- comply with relevant legal requirements.

Nomination Committee

The Nomination Committee Charter, which is available on the Investor Centre on the IDP website, requires that the Nomination Committee is to comprise a minimum of three members, at least one of whom is an “A Class” director and at least one of whom is a representative of Education Australia. The Charter also requires that the Chair of the Nomination Committee be an independent non-executive director. Executives attend Committee meetings by invitation.

The members of the Nomination Committee are:

| | |
|---------------------------|--|
| Peter Polson (Chair) | Independent Non-Executive Director/ A Class Director |
| Ariane Barker | Independent Non-Executive Director/ A Class Director |
| Professor David Battersby | Non-Executive Director/ A Class Director |
| Chris Leptos | Independent Non-Executive Director/ A Class Director |
| Professor Colin Stirling | Non-Executive Director/ A Class Director |
| Greg West | Non-Executive Director/ A Class Director |

Recommendation 2.1 of the fourth edition of the ASX Corporate Governance Principles and Recommendations states that a nomination committee should have at least three members and that the majority of the members are to be independent directors, with the Committee chaired by an independent director.

All non-executive members of the Board participate on the Nomination Committee. Given the Board did not comprise a majority of independent directors in FY21, Recommendation 2.1 has not been met. It is considered that the participation of the full non-executive Board in the Nomination Committee results in objective and thoughtful decision

making processes around the Committee's nomination responsibilities. Following completion of the EA Restructure and in accordance with the Company's Constitution, Professor David Battersby, Professor Colin Stirling and Greg West can now be considered independent directors and it is expected that the Company will meet the requirements of Recommendation 2.1 in FY22.

The Nomination Committee is chaired by an independent director.

The number of times the Nomination Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are set out in the 2021 Directors' Report.

The Nomination Committee Charter sets out its role and responsibilities. In summary, the Nomination Committee assists and advises the Board on:

- (a) director selection and appointment practices;
- (b) director performance evaluation processes and criteria;
- (c) Board composition; and
- (d) succession planning for the Board and senior executives,

to ensure that the Board is of a size and composition (subject to the requirements set out in the Company's Constitution and Board Charter) conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Audit and Risk Committee

The Audit and Risk Committee Charter, which is available on the Investor Centre on the IDP website, requires that the Audit and Risk Committee is to comprise a minimum of three members, all of whom are non-executive directors and the majority of which are independent. The Charter also requires that the Chair of the Audit and Risk Committee be an independent non-executive director, who is not the Chair of the Board. Other directors that are not members of the Committee and executives attend by invitation.

The current members of the Audit and Risk Committee are:

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|-----------------------|--|
| Ariane Barker (Chair) | Independent Non-Executive Director/ A Class Director |
| Peter Polson | Independent Non-Executive Director/ A Class Director |
| Greg West | Non-Executive Director/ A Class Director |

All of the Committee members are non-executive directors and the majority of which, including the Chair, are independent. The Committee has the requisite financial and technical expertise to discharge its mandate effectively.

For information in relation to the following, refer to the Directors' Report within the 2021 Annual Report:

- skills, experience and expertise of the Committee members; and
- number of meetings and attendance of members at the Committee meetings.

The Audit and Risk Committee Charter sets out its role and responsibilities. In summary, the role of the Committee is to assist the Board carrying out its accounting, auditing and financial reporting 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.

Recognise and Manage Risk

The Board views effective risk management as essential to achieving and maintaining its operational and strategic objectives. The Company has adopted a risk management policy, the overriding purpose of which is to ensure that:

- appropriate systems are in place to identify material risk that may impact the Company's business;
- the financial impact of risk is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- a risk appetite is defined and communicated for the Company's most material risks; and
- appropriate responsibility is delegated to control the identified risks effectively.

The risk management policy is supported by a global risk management framework (which adopts the risk management process described in the Australian/New Zealand Standard (AS/NZS ISO 31000:2018 Risk management – Guidelines)) and applies in addition to the Company's other policies.

The Board is satisfied that the risk management policy remains relevant to the current needs of the Company and the Board.

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. The Audit and Risk Committee assists the Board in overseeing the Company's risk profile and is responsible for overseeing management's action in the identification, management and reporting of material business risks.

The Audit and Risk Committee reviews the IDP Global Risk Register at least annually. This review was conducted in June 2020 and in June 2021. During FY21, IDP also undertook a review of risk appetite, including the adoption of a formal risk appetite statement.

The active identification of risks and implementation of appropriate controls and mitigation measures are the responsibilities of Management.

Recommendation 7.4 of the ASX Corporate Governance Principles and Recommendations (4th edition) requires that IDP disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Company monitors its exposure to all risks to the business including economic, social, governance and environmental sustainability risks. A summary of the most material risks that could affect IDP (including any material exposure to economic as well as environmental and social risks) and how we seek to manage them is provided in the Risks section of the Directors' Report of the FY21 Annual Report. Information relating to the impact and management of COVID 19 is included throughout the Annual Report.

Internal control systems and procedures are monitored and reviewed by the internal audit function. The role the internal audit function is to support IDP to accomplish its objectives, by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the organisation. The internal audit function reports to the Audit and Risk Committee and the CFO.

The Company risk function is independent of the external audit, has access to the Audit and Risk Committee and also has access to the Company executives and employees.

When considering the Audit and Risk Committee's review of financial reports, the Board receives a written statement signed by the CEO and CFO, affirming that IDP's financial reports give a true and fair view in all material respects of the Company's financial position and comply in all material respects with relevant accounting standards. The statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to the management of both financial reporting risks and the Company's material business risks.

For those periodic corporate reports that are not audited or reviewed by the external auditor, a rigorous internal review process is implemented. This process is led by the internal subject matter experts with reviews undertaken by management and key internal stakeholders. External advice is obtained as required. This process has been formally documented and subjected to internal audit review.

Non-audited periodic reports include the Review of Operations and other information included in the Directors' Report and investor presentations. These periodic reports are approved by the Board.

The Risk Management Policy is available on the Investor Centre on the IDP website.

Continuous Disclosure

IDP's Continuous Disclosure Policy sets out the key responsibilities for the Company's employees in relation to continuous disclosure. The Continuous Disclosure Policy is reviewed regularly by the Board.

The Continuous Disclosure Policy sets out the Company's obligations under the ASX Listing Rules and the Corporations Act. It refers to the type of information that requires disclosure. The Continuous Disclosure Policy also provides procedures for internal notification and external disclosure.

The Board is responsible for ensuring that IDP complies with its continuous disclosure obligations. The ASX Communications Officer has been delegated the person primary responsible for determining what matters might be considered to be price sensitive and whether or not disclosure is required under the ASX Listing Rules.

The Board receives copies of all material market announcements on or before lodgement with the ASX Platform. Copies of investor presentation materials are released on the ASX Platform ahead of the presentation. The Continuous Disclosure Policy is available on the Investor Centre on the IDP website.

Communication with Shareholders

IDP is committed to providing relevant and timely advice to its shareholders. It works to keep shareholders informed regarding developments and important information affecting the Company.

IDP has developed a program of investor engagement to ensure effective two-way communication with shareholders, the media and the broader investment community.

The key channels currently utilised by IDP to distribute information to shareholders include annual full and half year Financial Reports, investor presentations and notice of annual general meeting. The IDP website contains up-to-date

information on the operation of the IDP Group, its Board, management and corporate governance structure, ASX announcements, the share price and other information.

IDP holds investor relations roadshows at least twice a year to provide shareholders with the opportunity to meet and ask questions of IDP's management team, particularly following the release of the half year and annual financial results. Shareholders have the ability to elect to receive communications and other shareholding information electronically.

Annual General Meeting (AGM)

The AGM is a key opportunity for shareholders to hear the CEO and Chair provide updates on the Company's performance, ask questions of the Board, and to express a view and vote on the various matters of Company business on the agenda. IDP encourages its shareholders to attend its AGM. IDP also commits to deal with shareholder queries in a respectful and timely manner whenever they are received by the Company. All resolutions at the annual general meeting are decided by a poll rather than on a show of hands.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct to be followed by all directors, officers and employees of IDP.

The key aspects of this code are to oblige all directors, officers and employees of IDP to:

- comply with the code, IDP's policies and the law no matter where they are in the world;
- handle all business dealings with honesty and fairness;
- not use IDP's resources, assets, relationships or information for personal gain;
- protect IDP's private information at all times;
- respect the rights of all employees to fair treatment and equal opportunity and a workplace free from harassment;
- before they buy or sell shares in IDP, consider whether they know any confidential information that has not been shared and act in line with our Securities Trading policy
- use good judgement and act in a professional and ethical manner at all times; and
- take responsibility for their actions and ask for guidance where needed.

The Code of Conduct sets out IDP's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information and conflicts of interest. The Code of Conduct also includes IDP's Statement of Values, which articulates the principles, behaviours and standards that are important at IDP. The Code of Conduct is supported by an Anti Bribery and Anti Corruption Policy and Whistleblower Protection Policy.

The purpose of the Anti Bribery and Anti Corruption Policy is ensure awareness of IDP's Anti Bribery and Anti Corruption policies and obligations and to ensure that compliance with the Anti Bribery and Anti Corruption obligations is monitored and enforced.

The purpose of the Whistleblower Protection Policy is to ensure all employees and contractors are able to report instances, or suspected instances, of unethical, improper, unlawful or undesirable conduct without fear of intimidation or reprisal. The Policy is intended to encourage and promote honest and ethical behaviour by providing a clear process for escalation of concerns about actual, suspected or anticipated wrongdoing within the Company.

A process has been put in place for the Board to be kept informed of any material breaches of the Code of Conduct or Anti Bribery and Anti Corruption Policies and any material issues under the Whistleblower Protection Policy.

The following Corporate Governance Documents are available on the IDP website:

- The Code of Conduct;
- Anti Bribery and Anti Corruption Policy;
- Whistleblower Protection Policy; and
- IDP's Statement of Values.