G8 Education Limited
ABN: 95 123 828 553

Guidelines for Audit and Financial Integrity of Financial Reporting
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Objectives
These guidelines are to assist the Board in fulfilling its corporate governance and oversight responsibilities with respect to:

- Application of accounting policies and reporting of financial information
- Internal and external audit practices and to ensure that effective relationships exist.
- Reviewing the effectiveness of the Company’s internal control systems
- Providing an avenue for communication between internal audit, the external auditors, financial management and the Board.

Meetings
Where considered appropriate by the Chairman, the Board will hold a separate private session with the external auditors, without management representation.

Where considered appropriate by the Chairman, the Board will hold a separate private session with the Group Internal Auditor* and/or the COFO.

The external auditors and/or the Group Internal Auditor* may also request a separate private meeting with the Board, if they consider that one is necessary.

Unless decided otherwise by the Chairman of the Board, the MD/CEO, COFO, Financial Accountant, Group Internal Auditor*, and partner in charge of the external audit will be routinely invited to attend meetings of the Board dealing with matters covered by these guidelines. Other senior managers may be asked to attend on specific agenda items.

Specific Responsibilities
The Board’s main responsibilities under these guidelines are as follows:

External Financial Reporting
- Consider the appropriateness of the company’s accounting policies and principles and any changes to them;
- Assess significant estimates and judgements in the financial reports and enquire of the external auditor regarding the reasonableness of those estimates;
- Review compliance with accounting standards and other legal requirements;
- Review the clarity of disclosures;
- Review financial reports and approve or arrange amendment;
- Review the policies and processes for identifying and assessing business risks and the management of these risks by the Company.

Related-party Transactions
- Review and monitor the reasonableness of all related party transactions.
External Audit

- Make decisions on the appointment and remuneration of the external auditor;
- Be satisfied that an effective, comprehensive and complete external audit can be conducted for the set fee;
- Monitor the effectiveness and independence of the auditor, ensuring that the external auditor’s rotation practices, provision of non audit services and relationships with the Company do not impair that independence;
- At least annually, obtain a formal written statement of all relationships between the external auditors and the Company;
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditors’ quality control procedures and steps taken by the auditors to respond to changes in regulatory and other requirements;
- Review the external auditors’ management letter and management’s response and ensure that information provided is complete and appropriate;
- Give consideration to any other matter communicated by the external auditors, in particular serious difficulties or disputes with management encountered during the course of audits;
- Invite the external auditor to attend meetings to review the audit plan, discuss audit results and consider the implications of the external audit findings for the risk management and control environment;
- Approve the provision of non-audit services to the Company, where such services are to be provided by the external auditors of the Company itself, or by the external auditors of any of the respective shareholders.

Internal Audit

Determine if there is a need for a formal internal audit function, including a Group Internal Auditor and, if so:

- Adopt an Internal Audit Charter;
- Ensure that the internal audit function is adequately resourced and has appropriate standing within the company;
- Approve the appointment or dismissal of the Group Internal Auditor;
- Review and approve the scope of the internal audit plan and work program;
- Monitor the progress of the internal audit work program and consider the implications of the findings for the control environment;
- Monitor and critique management’s response to internal audit findings and recommendations;
- Evaluate the process the company has in place for monitoring and assessing the effectiveness of the internal audit function.

* if a Group Internal Auditor is appointed
General

- Oversee that the External Auditors and Internal Auditors* meet regularly and maintain a good working relationship;
- Oversee development of and regularly evaluate the company’s Fraud Policy, including the adequacy of procedures related to the handling of allegations on accounting, internal accounting controls and auditing matters from whistleblowers;
- As the Board may deem appropriate, obtain, weigh and consider expert advice as to audit standards and other accounting, legal and regulatory provisions.
- Review management’s processes for ensuring the monitoring of compliance with laws, regulations and other requirements relating to the external reporting by the Company of financial and non-financial information.

Disclosure of guidelines for audit and integrity of financial reporting
A copy or summary of these guidelines shall be posted onto the Company's website in a clearly marked corporate governance section.

* if a Group Internal Auditor is appointed