
G8 Education Limited

ABN 95 123 828 553

Audit and Risk Management Committee Charter

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1. Purpose

- 1.1. This Charter sets out the authority, objectives, responsibilities, composition and operation of G8 Education Limited's (the **Company's**) Audit and Risk Management Committee (**Committee**).
- 1.2. The Committee is a committee of the Company's Board ('**Board**') established pursuant to the constitution of the Company.

2. Authority

- 2.1. The Committee is authorised by the Board to:
 - (a) investigate any activity within this Charter; and
 - (b) review, advise and makes recommendations to the Board with respect to developing policy and monitoring corporate activity within the scope of its responsibilities.

3. Objectives

- 3.1. The primary function of the Committee is to discharge its responsibilities in Section 3 and, in doing so, it will assist the Board to:
 - (a) review and oversee the Company's enterprise risk management framework, including risk assessment, treatment, strategies and monitoring consistent with the Company's risk appetite;
 - (b) oversee the process for implementing effective internal and external audit functions and control systems to provide accurate, relevant, timely and reliable financial and operational information;
 - (c) safeguard the integrity of the Company's financial reports and statements;
 - (d) comply with applicable laws, regulations, standard and best practice guidelines; and
 - (e) monitor the Company's culture for alignment with conduct that is ethical and consistent with sound and effective risk management.

3. Responsibilities

The Committee's responsibilities include but are not limited to the matters set out in this Section 3.

3.1. Financial Management

- (a) Review regularly with management the Company's cash flow forecasts, capital structure, including debt financing and the adherence to bank or other debt covenants and related requirements.
- (b) Consider the Company's treasury management policies, including hedging of trading, financing or balance sheet exposure.

3.2. External Financial Reporting

- (a) Consider the appropriateness of the Company's accounting policies and principles and any changes to them.
- (b) Assess significant estimates and judgements in the financial reports and enquire of the external auditor regarding the reasonableness of those estimates.

- (c) Review compliance with accounting standards and other legal requirements.
- (d) Review the clarity of disclosures.
- (e) Review financial reports and recommend to the Board on their approval or amendment.
- (f) Where applicable, review the Company's statement on internal control systems prior to endorsement by the Board and review the policies and processes for identifying and assessing business risks and the management of these risks by the Company.

3.3. Related Party Transactions

- (a) Review and monitor the propriety of all related party transactions.

3.4. External Audit

- (a) Make recommendations to the Board on the appointment and remuneration of the external auditor, including whether an audit tender process is required.
- (b) Be satisfied that an effective, comprehensive and complete external audit can be conducted for the set fee.
- (c) Approve the external audit plan.
- (d) 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.
- (e) At least annually, obtain a formal written statement of all relationships between the external auditors and the Company.
- (f) 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.
- (g) Review the external auditors' management letter and management's response and ensure that information provided is complete and appropriate.
- (h) 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.
- (i) Invite the external auditor to attend audit committee 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.
- (j) Approve the provision of non-audit services to the Company, where such services are to be provided by the external auditors of the Company.

3.5. Internal Audit

- (a) Determine if there is a need for a formal internal audit function, including an internal auditor for Company ("Group Internal Auditor") and, if so:
 - (i) draft an Internal Audit Charter for adoption by the Board which includes an obligation for the internal auditor to report to the Chair of the Committee with day to day reporting through the Managing Director;
 - (ii) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
 - (iii) make recommendations to the Board the appointment or dismissal of the Group

Internal Auditor;

- (iv) review and approve the scope of the internal audit plan and work program;
- (v) monitor the progress of the internal audit work program and consider the implications of the findings for the control environment;
- (vi) monitor and critique management's response to internal audit findings and recommendations; and
- (vii) evaluate the process the Company has in place for monitoring and assessing the effectiveness of the internal audit function.

3.6. Risk Management

- (a) In conjunction with Management, monitor and review the policies and control systems established by Management to identify and manage enterprise risks. These risks may include but are not limited to operational, environmental, sustainability, compliance, strategic, ethical conduct, reputation or brand, technological, product or service quality, human capital, financial reporting and market related risks.
- (b) The Committee will carry out the following in connection with risk management:
 - (i) maintain an enterprise risk management framework and industry appropriate operational risk management frameworks;
 - (ii) review and make recommendations to the Board on the Company's risk appetite and risk tolerance (as determined by the Board) on a Company wide basis with respect to relevant categories or operational risk;
 - (iii) assess, monitor, review and report on risks which may impact on performance of the Company including its ability to achieve its goals and objectives ;
 - (iv) review the Company's framework for identifying, monitoring and managing risks which threaten compliance with laws and regulations;
 - (v) review and assess the effectiveness of the Company's internal control systems, recognising those matters in respect of which the Board and the Committee rely;
 - (vi) monitor Management's response to review and recommendations of internal and external auditors regarding control systems and procedures; and
 - (vii) review actions taken by management to reduce risk exposure in the key areas of Child Safety, compliance with the legislation, IT and People & Culture risk.

3.7. Cyber security and practices

- (a) Review and monitor the framework for identifying, mitigating and managing cyber security and privacy practices of the Company.
- (b) Consider the effectiveness of the Company's cyber resilience risk control systems.

3.8. General responsibilities

- (a) Review and propose any changes to this Charter.
- (b) Approve minutes of the previous Committee Meeting.
- (c) Oversee that the external auditors and internal auditors meet regularly and maintain a good working relationship.
- (d) Oversee the adequacy of the Company's capital expenditure procedures.
- (e) Review and approve the Company's Code of Conduct annually and recommend any

proposed changes to the Board for approval.

- (f) Review and regularly evaluate the following policies of the Company:
 - (i) Fraud Policy, including the adequacy of procedures related to the handling of allegations on accounting, internal accounting controls and auditing matters from whistleblowers;
 - (ii) Continuous Disclosure & Shareholder Communication Policy;
 - (iii) Securities Trading Policy;
 - (iv) Dividend Policy;
 - (v) Dividend Reinvestment Plan Rules;
 - (vi) Risk Management Policy and Framework;
 - (vii) Tax Governance Framework;
 - (viii) Delegation of Authority;
 - (ix) Environmental Sustainability Policy & Strategy;
 - (x) Treasury Policy;
 - (xi) Business Continuity Plans;
 - (xii) Accounting Policy; and
 - (xiii) Whistleblower Policy.
- (g) Review and assess impact of changes to accounting standards.
- (h) Review tax reports and practices for managing impact of taxation.

4. Size and Composition

4.1. Composition

- (a) The Committee should be of sufficient size, independence and expertise to conduct its duties effectively.
- (b) The Committee will comprise of at least three members appointed by the Board.
- (c) All members of the Committee must be non-executive Directors and a majority of Committee members must be independent non-executive Directors or as otherwise required under the ASX Listing Rules and ASX Corporate Governance Principles and Recommendations (as amended from time to time).
- (d) The Board shall appoint the Chair of the Committee who shall also be an independent Director who is a member of the Committee. The Chair of the Committee must not be the Chair of the Board. Should the Chair of the Committee be absent from any Committee meeting, the members of the Committee present at that meeting shall appoint one of them to be Chair of that meeting.
- (e) All members of the Committee must be financially literate. At least one member must be a financial expert, defined for the purposes of this Charter as being professional qualified, as either a Chartered Accountant (CA) or Certified Practising Accountant (CPA) or member of a similarly recognised professional accounting body. It is desirable (but not essential) for members of the Committee to have an appropriate level of knowledge and understanding of the industry in which the Company operates.
- (f) Other members of the Board are entitled to attend Committee meetings, but will not

be entitled to vote on any matter being considered by the Committee.

- (g) The Managing Director shall not be a member of the Committee.

4.2. Removal or resignation

- (a) If a member of the Committee ceases to be a Director, that member ceases to be a member of the Committee. The Board may remove a member of the Committee by resolution of the Board.

4.3. Secretary

- (a) The Secretary of the Committee is the Company Secretary. The Secretary of the Committee will be responsible, in conjunction with the Chair of the Committee, for determining the agenda for each meeting.

5. Meetings

5.1. Frequency

- (a) The Committee will meet as frequently as required but not less than three times a year.
- (b) The Committee may call such additional meetings as the Chair of the Committee decides are necessary for the Committee to fulfil its responsibilities.

5.2. Minutes of meetings

- (a) The Secretary of the Committee will be responsible for keeping and circulating the minutes of Committee meetings.
- (b) Minutes shall be distributed to all Committee members after the Chair of the Committee has given preliminary approval.
- (c) The minutes of Committee meetings will be approved by the Committee and signed by the Chair of the Committee.
- (d) Copies of the minutes of each Committee meeting will be included in the papers for the next Board meeting after each meeting of the Committee.

5.3. Meeting attendance

- (a) Unless otherwise directed by the Board, the Managing Director, Chief Financial Officer and Group Internal Auditor (if any) will attend each meeting of the Committee.
- (b) The Committee may invite other people or employees to attend meetings when necessary.
- (c) Where considered appropriate by the Chair of the Committee, the Committee may hold a separate private session with:
 - (i) the external auditors, without management representation;
 - (ii) the Group Internal Auditor (if any) and/or the Managing Director and/or the Chief Financial Officer;

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

- (d) Committee members or any invitees must not be in attendance during Committee meeting discussions regarding matters where they have a personal interest or a conflict of interest is deemed to exist.

5.4. Quorum and resolutions

- (a) A quorum will comprise any two Committee members. Should the Chair of the Committee be absent from any meeting, and there are at least two members still present, the members of the Committee present shall appoint one of their number to be Chair of that meeting.
- (b) The Committee may delegate authority to subcommittees of the Committee.

6. Reporting to the Board

- 6.1. The Committee shall regularly report to and make any appropriate recommendations to the Board at the next Board meeting.

7. Access and Advice

- 7.1. The Committee may seek any information it requires from any employee (who are directed to cooperate with any request made by the Committee) and has the right to seek explanations and additional information from Management and auditors.
- 7.1. If necessary or desirable, the Board authorises the Committee to:
 - (a) obtain, at the expense of the Company, independent expert advice and to arrange for attendance at meetings of outside parties with relevant experience and expertise if it considers necessary to assist the Committee in carrying out its responsibilities; and
 - (b) invite members of Management, internal audit (if any), representatives of the external auditor and/or other external advisors to be present at the meetings of the Committee.
- 7.2. The Committee will have appropriate resources to discharge its duties and responsibilities, including engaging counsel, accountants or other experts such as external remuneration consultants to provide information to the Committee.
- 7.3. The Committee will meet at least once annually with the external auditor without Management present.

8. Assessment and Evaluation of the Committee

- 8.1. The Committee will review its performance annually having regard to the Committee's objectives and responsibilities under this Charter.

9. Access to the Charter

- 9.1. This Charter is available on the Company's investor website at: <https://g8education.edu.au/investor-information/corporate-governance/> or by contacting the registered office.

10. Review of the Charter

- 10.1. The Committee will review this Charter annually and the Charter may be amended by resolution of the Board.

Last Reviewed: May 2021