



Audit, Risk, and Compliance Committee Charter

Nido Education Limited ACN 650 967 703 (Company)



Audit, Risk, and Compliance Committee Charter

1. Formation

The board of directors (**Board**) of Nido Education Limited CAN 650 967 703 (**Company**) has established the Audit, Risk and Compliance Committee (**ARC** or **Committee**) under the Company's constitution and has delegated to it the role and responsibilities set out in this charter.

2. Role

- a) The role of the ARC is to assist the Board in discharging its responsibilities in relation to the following:
- I. Oversight of the integrity and quality of interim and annual financial reporting and disclosures;
 - II. Identification and management of key risks, financial risks and regulatory risks;
 - III. Oversight of compliance with applicable laws, regulations, standards, and industry codes; and
 - IV. Oversight of the adequacy of the internal control and risk management and compliance systems and framework.
- b) The role of the ARC is not an executive role.

3. Responsibilities

3.1 Oversight of systems of risk management, compliance, and control

The ARC is responsible for overseeing the Group's financial and risk management compliance and internal control frameworks. In carrying out its role, its responsibilities in this context include:

- a) overseeing the creation, implementation and maintenance of the risk management system and internal control framework;
- b) reviewing the effectiveness of the Company's implementation of its risk management system and internal controls on an ongoing basis;
- c) making recommendations to the Board in relation to changes to the risk appetite set by the board;
- d) developing an understanding of the overall business environment, relevant laws, regulations and codes of particular significance to the Company and the Company programs in place to provide reasonable assurance of compliance;

- e) reviewing reports on insurance coverage and claims trends; and
- f) providing oversight of the Group's national quality, health, safety, environmental, social and governance performance and risks.

3.2 Oversight of reporting financial information

The ARC is responsible for overseeing the Company's system of reporting financial information with a view to safeguarding its integrity. In carrying out its role, its responsibilities in this context include:

- a) reviewing all financial information in the annual and interim reports that are distributed externally with particular focus on:
 - (i) the adequacy, accuracy, necessity and completeness of financial information;
 - (ii) comparing any changes from prior periods;
 - (iii) considering important questions of judgment affecting the overall integrity of information, including the quality of earnings;
- b) recommending that the Board approve the release of financial report and disclosures when satisfied with propriety and accuracy of the financial reports; and
- c) reviewing all significant accounting policy changes and, where appropriate, recommending to the Board that the changes be adopted by the Company.

3.3 Oversight of internal audit function

The ARC is responsible for initially assessing the need to establish an internal audit function, and once established, overseeing the activities and effectiveness of the Group's internal audit function. In carrying out its role, its responsibilities in this context include:

- a) establishing guidelines and making recommendations to the Board for the selection and appointment of the internal audit service provider;
- b) approving the roles and responsibilities of the internal audit function and relating it to the ARC's expectations;
- c) approving the annual internal audit objectives and risk-based plan and work priorities;
- d) appraising the quality and objectivity of the internal audit work on an annual basis; and
- e) reviewing reports from the internal auditor on major issues arising from the internal audit program and reporting to the Board on those issues as appropriate.

3.4 Oversight of external audit function

The ARC is responsible for overseeing the activities and effectiveness of the Group's external auditor. In carrying out its role, its responsibilities in this context include:

- (a) establishing guidelines for the selection and appointment of the external auditor and the rotation of the external audit partner;



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- (b) making recommendations to the Board in relation to the appointment and removal of the external auditor, and overseeing the rotation of the principal external audit partner;
- (c) reviewing external auditors' assessment of financial statement materiality and proposed disclosure of any critical audit matters;
- (d) making inquiries in relation to the causes of any significant year-end adjustments;
- (e) reviewing and appraising the quality of the audit work undertaken;
- (f) reviewing the annual financial statements with the external auditors and reporting to the Board on those financial statements, and any issues arising out of the financial statements, as necessary or appropriate; and
- (g) approving the annual audit fee.

3.5 Other audit issues

The ARC will take reasonable care to ensure:

- (a) adequate audit coverage is achieved between internal and external audit with no significant gaps or unnecessary duplication;
- (b) that no management restrictions or limitations have been placed on internal or external auditors; and
- (c) the objectivity and independence of internal and external audit is preserved.

3.6 Other responsibilities

The ARC will:

- (a) meet with the chief risk officer, the lead external audit partner and the lead Internal auditor without other members of management present, on a periodic basis and whenever it is deemed appropriate by the Committee Chair;
- (b) review internal and external audit findings to ensure that any reported major deficiencies or weaknesses in controls have been identified, and appropriate and timely corrective action is taken by management;
- (c) evaluate exposure to fraud, including reviewing reports from management on any major defalcations, frauds, thefts, or losses and the measures taken or proposed to prevent any recurrence;
- (d) if it considers appropriate, investigate any complaint or allegation made to the Group;

Commented [NB1]: a) [REDACTED] and have moved this to the Director Charter

- (e) discuss with management and the external auditor the implementation and post-implementation plans relating to any new accounting pronouncement;
- (f) monitor, review and assess the Group's compliance, internal control, and risk management systems, including the effectiveness of these systems;
- (g) discuss with management and the external auditor any correspondence with standard setters, regulatory or governmental bodies and any published records which raise material issues regarding the Company's financial statements; and
- (h) examine any other issues referred to it by the Board.

Commented [NB2]: *ME note: we have broadened this obligation to include risk & internal control so that non-compliance issues (such as non-regulatory ESG risks) will be captured in this responsibility.*

4. Reporting to the Board

The ARC will report regularly to the Board. The reports will include all matters relevant to the ARC's role and responsibilities, including:

- (a) an assessment of whether external reporting is consistent with the ARC's information and knowledge and if this external reporting is adequate for shareholder needs;
- (b) any recommendations for changes to the financial statements;
- (c) the ARC's guidelines for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- (d) any recommendations for the appointment or removal of an external auditor;
- (e) a statement to the Board for inclusion in the annual report as to whether the ARC is satisfied that the provision of any non-audit services is compatible with the independence of the external auditor; and
- (f) the results of its review of risk management and internal compliance and control systems.

5. Audit, Risk and Compliance Committee membership

5.1 Appointment

The composition of the ARC will be determined from time to time by the Board who may decide appointments, rotations, and resignations within the Committee.

5.2 Number

- (a) Subject to paragraph 5.2(b), the Committee should comprise:
 - (i) at least three directors;
 - (ii) all non-executive directors who are financially literate and at least one of whom is financially qualified and competent; and
 - (iii) a majority of independent directors,
 in each case as determined by the Board.
- (b) While the Company will aim to have a Committee of the size and composition outlined in paragraph 5.2(a) above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the



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Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Committee from time to time.

- (c) A member of the ARC may act through their alternate if the alternate is a member of the ARC or would be eligible to be appointed as a member of ARC in their own right.

5.3 Chair

- (a) The Board will appoint one member of the ARC to be its chair.
- (b) The chair should be an independent director and may not be the chair of the Board.
- (c) In the absence of the chair at a particular meeting of the ARC, the remaining members present will elect one of their number, who must be an independent director and not the chair of the Board, to be the chair of the meeting.

5.4 Secretary

The Committee will appoint a secretary.

5.5 Qualifications and Experience

- (a) The Board will appoint one member of the ARC to be its chair.
- (b) The chair should be an independent director and may not be the chair of the Board.
- (c) In the absence of the chair at a particular meeting of the ARC, the remaining members present will elect one of their number, who must be an independent director and not the chair of the Board, to be the chair of the meeting.

5.6 Each member of the Committee should have a broad understanding of the industry in which the Group operates.

6. Committee Meetings

6.1 Frequency of Meetings

- (a) The Committee will meet as often as it considers necessary.
- (b) Nevertheless, it is intended that the ARC will meet at least four times per year. The meetings will be set in order to allow adequate time for preparation of substantive reporting to the Board.

6.2 Calling of meetings

- (a) The chair of the ARC will call a meeting of the ARC if requested to do so by a member of the ARC, the chief executive officer, the managing director, or the internal or external auditor.
- (b) Meetings will be called by the ARC secretary.

6.3 Quorum

A quorum for a committee meeting is two of its members.

6.4 Holding of and attendance at meetings

- (a) Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present.
- (b) The Chair of the Board and other directors who are not members of the Board have a standing invitation to attend any meeting of the ARC.
- (c) Any employee of the Group or any internal or external auditor of the Group, any external professional adviser or any other person may attend a meeting of the ARC if invited by the ARC or its chair.

6.5 Resolutions without meeting

The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in the Company's constitution or equivalent.

7. Minutes of Audit, Risk and Compliance Committee Meetings

- a) The Committee must keep minutes of its meetings.
- b) Draft minutes must be sent to the Chair within 7 working days of the meeting. After the chair has reviewed these minutes, they are to be distributed to the Committee for comment.
- c) Minutes of each Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Committee, except if there is a conflict of interest.
- d) The agenda and supporting papers are available to the directors on request to the Committee secretary, except if there is a conflict of interest.

8. Access to Information and Independent Advice

- a) The Committee may investigate any matter brought to its attention and seek any information it considers necessary to fulfil its responsibilities.
- b) The Committee has access to:
 - i. Management to seek explanations and information from management: and



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- ii. Internal and external auditors to seek explanations and information from them, without management being present.
- c) The Committee may seek professional advice from employees of the Group and from appropriate external advisers where it considers it necessary or appropriate, at the Company's cost. The Committee may meet with these external advisers without management being present.

9. Review and changes to this charter

- (a) The Committee will review this charter periodically to ensure that it is operating effectively and whether any changes are required.
- (b) The Board may change this charter from time to time by resolution.

10. Approved and adopted

This policy was approved by the Board on 28 July 2023.