

Audit and Risk Committee Charter

1. Introduction

- 1.1. The Audit and Risk Committee ('Committee') is a committee of the ASX Limited Board ('Board').
- 1.2. This Charter sets out the role, responsibilities, composition and operation of the Committee.

2. Role of the Committee

- 2.1. The primary function of the Committee is to discharge its responsibilities in Section 3 and, in the course of doing so, assist the Board to carry out the following:
 - a) review and monitor the integrity of ASX Limited's consolidated financial reports and statements;
 - b) review the adequacy of the ASX Group's corporate reporting processes;
 - c) oversee the process for:
 - (i) identifying significant risks facing the ASX Group; and
 - (ii) implementing appropriate and adequate control, monitoring and reporting mechanisms; and
 - d) liaise with and monitor the performance and independence of the external auditor;
 - e) monitor ASX's culture to gauge how it is aligned with:
 - (i) conduct consistent with sound and effective risk management;
 - (ii) financial market integrity; and
 - (iii) the reputation and brand of ASX.
- 2.2. The Committee is responsible for reviewing and overseeing the risk management processes, internal controls and compliance systems within the ASX Group, with the exception of those matters carried out by the clearing and settlement boards ('CS boards') as set out in the CS boards charter and those matters carried out by the Technology Committee as set out in the Technology Committee charter.
- 2.3. The Committee has been appointed as the audit and risk committee for the CS boards to:
 - a) oversee risk matters outside the areas reviewed by the CS boards and the Technology Committee and which are ASX Group enterprise-wide in nature; and
 - b) oversee compliance and conflict management arrangements for the CS facility licensees; and
 - c) oversee and review:
 - (i) the methodology and process for preparing the Cash Market Clearing and Cash Market Settlement Management Income Statements which are prepared in accordance with the *ASX Cash Equities Clearing and Settlement Code of Practice* and the external auditor's report relating to those statements; and
 - (ii) the ASX internal cost allocation and transfer policy between the ASX Group entities for

clearing and settlement of cash equities in Australia; and

- d) receive reports in relation to the arrangements for enforcing compliance with the operating rules of the CS facility licensees and monitor the adequacy of those arrangements.

2.4. In discharging its responsibilities in Section 3, the Committee also assists the Board and the CS boards to carry out their review and oversight of systems and processes in place to achieve compliance by the ASX Group's market licensees and CS facility licensees with their statutory obligations as licence holders with the exception of those matters carried out by the Technology Committee as set out in the Technology Committee charter.

2.5. The Committee has authority to:

- a) investigate any activity within its Charter and any matters specifically requested by the Board or CS boards; and
- b) resolve any disagreements between Management and the external auditor regarding financial reporting.

3. Responsibilities of the Committee

The responsibilities of the Committee include, but are not limited to:

3.1. Corporate Reporting

- a) Review half-yearly and yearly financial reports and statements with Management and the external auditor.
- b) Review and make recommendations to the Board regarding significant financial, accounting and reporting issues.
- c) Review ASX's corporate reporting and disclosure processes and the outputs of those processes.
- d) Review the appropriateness of the accounting policies adopted by Management in relation to the financial reports and statements.
- e) Receive representations and attestations from the Managing Director and CEO and CFO.
- f) Review financial statements and reports for compliance with accounting standards and policies and other requirements relating to their preparation.
- g) Assess whether the half-year and full-year financial reports are consistent with the Committee members' information and knowledge.

3.2. External Audit

- a) Annually consider the appointment of the external auditor and, as required, consider the procedures for the selection and appointment of the external auditor and whether an audit tender process is required. Any recommendation to change the external auditor would require Board and shareholder approval.
- b) Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
- c) Consider and review the scope of work, reports and activities of the external auditor including

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interaction with internal audit.

- d) Review the findings of the audit with the external auditor, and monitor Management's response to reviews and recommendations of the external auditor.
- e) Establish and review policies as appropriate in relation to independence of the external auditor.
- f) Assess the independence of the external auditor based on the information received from the external auditor and Management. In assessing independence, the Committee considers:
 - (i) the employment of former employees of the external auditor;
 - (ii) policies on the supply of non-audit services by the external auditor;
 - (iii) the fees for audit and non-audit services provided by the external auditor on a regular basis;
 - (iv) the rotation of audit partners;
 - (v) the external auditor's own statement on independence; and
 - (vi) any other information from the external auditor setting out its relationships that may affect its independence.
- g) Review the effectiveness of the annual audit and the performance of the external auditors taking into account the opinions of Management and internal audit.

3.3. Risk Management, Internal Audit and Internal Control

- a) Review the ASX Group enterprise risk framework for identifying, monitoring and managing significant business risks across the ASX Group and consider whether the enterprise risk framework and internal controls effectively identify areas of potential, material risk.
- b) Consider the effectiveness of the ASX Group's internal control system, recognising those matters in respect of which the Board and the Committee rely on the CS boards.
- c) Review and oversight of the ASX Group's response to significant operational incidents including those relating to technology performance.
- d) Review and approve the charter, annual audit plans and activities for the internal audit function (and where appropriate, without Management present).
- e) Review the internal auditor's reports on significant findings and recommendations on internal control.
- f) Monitor Management's response to reviews and recommendations of the internal auditor regarding internal control systems and procedures.
- g) Review the adequacy of resources and governance arrangements of the internal audit function.
- h) Review and concur on the appointment, replacement and remuneration of the General Manager Internal Audit.
- i) Review the performance, objectivity, independence and effectiveness of the internal audit function.

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3.4. Insurance Program

Review the ASX Group's insurance program at least annually having regard to the ASX Group's business and the insurable risks associated with the ASX Group's business.

3.5. Compliance and Conflict Handling Arrangements

- a) Review the ASX Group's framework for identifying, monitoring and managing compliance with laws and regulations.
- b) Review regular reports from Management in relation to ASX Group's compliance with its statutory, licence and other key obligations.
- c) Without limiting the above, review regular reports from the Listings Compliance and Risk functions in relation to:
 - (i) the arrangements for monitoring and enforcing compliance with the operating rules of the ASX Group's market licensees; and
 - (ii) the arrangements for enforcing compliance with the operating rules of the ASX Group's CS facility licensees,(together, the 'Compliance Arrangements') with such reports to include:
 - (iii) information in relation to the performance by Listings Compliance and Participants Compliance of their compliance and enforcement functions; and
 - (iv) information in relation to the resources (including financial, technological and human resources) for performing those compliance and enforcement functions.
- d) Monitor the adequacy of the Compliance Arrangements and the other activities undertaken by the Listings Compliance and Participants Compliance functions.
- e) Review quarterly reports from the Chief Compliance Officer and the Chief Risk Officer to the ASX Group Licensees certifying that, in each of their opinions and within their respective areas of responsibility, the ASX Group Licensees have in place adequate arrangements for monitoring and enforcing compliance with their operating rules.
- f) For the avoidance of doubt, the Committee does not make compliance or enforcement decisions relating to the circumstances of a particular listed entity, product issuer or participant. Those decisions are administered by management delegated with compliance and enforcement decision making authority.
- g) Monitor the governance arrangements and controls that ASX has in place to address actual and perceived conflicts of the ASX Group Licensees ('Conflict Handling Arrangements').

4. Composition and Operation

4.1. The members of the Committee and Committee Chair are appointed by the Board.

4.2. The Committee will consist of at least three members all of whom are non-executive directors. The majority of members, including the Committee Chair, must be independent directors. The Chairman of the Board may not chair the Committee.

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- 4.3. Each member must have a working familiarity with general finance and accounting practices. At least one member of the Committee must have accounting or related financial management expertise.
- 4.4. The Committee shall meet at least four times per year, or more frequently as required. The Committee Chair will call a meeting of the Committee if requested by any member of the Committee, the external auditor, internal auditor or the Chairman of the Board.
- 4.5. A quorum shall be any two members or any greater number determined by the Board. The Committee may delegate authority to subcommittees of the Committee.
- 4.6. There shall be a standing invitation for a representative of the non-ASX directors of the CS boards to attend Committee meetings. The Committee may request that this person withdraw for any part of a meeting.

5. Access and Advisers

- 5.1. The Committee has unrestricted access to all records and staff of the ASX Group (including internal audit and the external auditor without Management present) and has the right to seek explanations and additional information from Management and auditors.
- 5.2. As necessary or desirable, the Committee may invite:
 - a) members of Management, internal audit, representatives of the external auditor and/or other external advisors to be present at meetings of the Committee; and
 - b) one or more persons with suitable qualifications and experience to be present at meetings of the Committee for reports in relation to the Compliance Arrangements and Conflict Handling Arrangements; and
 - c) members of the Technology Committee to consider and advise on technology, data and cyber-related matters.
- 5.3. At least annually, the Committee shall meet separately with each of the external auditor and internal auditor without Management present.
- 5.4. For the purpose of supporting the independence of their functions,
 - a) the external auditor has a direct reporting line to the Committee and may also report to the Board; and
 - b) the General Manager Internal Audit reports to the Chief Financial Officer for administrative purposes and has a direct reporting line to the Committee Chair in relation to the performance of the functions of Internal Audit; and
 - c) the General Manager Enterprise Compliance reports to the Chief Risk Officer and for conflict sensitive matters, to the non-ASX CS directors, and has a direct reporting line to the Committee Chair; and
 - d) the Chief Compliance Officer reports directly to the Committee Chair in relation to the performance and resourcing of the functions of Listings Compliance and ASX enforcement matters; and
 - e) the General Manager Participants Compliance reports directly to the Committee Chair in relation

to the performance of the functions of Participants Compliance.

- 5.5. Under the terms of the ASX Whistleblower Protection Policy, ASX staff have access to the Committee Chair.
- 5.6. The Committee may directly seek independent, professional or other advice as required to carry out its responsibilities.

6. Relationship with other ASX Group Governance Forums

- 6.1. The Committee reports to the Board. Committee meeting minutes will be provided to the Board for noting.
- 6.2. ASX non-executive directors who are not Committee members may attend Committee meetings.
- 6.3. The Committee will also provide reporting to Board Committees and the CS boards (as appropriate) on matters which have been delegated to it or which are relevant to those bodies. These reports may be verbal.
- 6.4. Each year, the Committee will report to the CS boards a summary of the activities it has carried out relevant to those boards and confirm all obligations delegated to the Committee have been carried out.
- 6.5. The Committee considers, and (where appropriate) relies, on reviews and confirmations from the external auditor, Management attestations, external audit review and / or subsidiary board review in considering the financial statements of ASX Group subsidiaries. The Committee also considers, and (where appropriate) relies, on reviews and confirmations from the external auditor, internal auditor and General Manager Enterprise Compliance, together with Management attestations, in order to assist the Committee to carry out its functions.
- 6.6. The Committee may refer matters to the Technology Committee that are within the scope of the Technology Committee's role and responsibilities as set out in the Technology Committee charter.

7. Review

- 7.1. The Committee will review this Charter annually to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- 7.2. Amendments to the Charter, other than updates for ASX branding or position titles, are to be approved by the Board.
- 7.3. The Committee undertakes an annual self-assessment of its performance to confirm that all activities listed in the Charter have been addressed, and reports this information to the Board.

Approval date

Charter approved: 6 May 2022