



Audit and Risk Committee Charter

Audit and Risk Committee Charter

Introduction

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

Role and responsibilities of the Committee

3. The role of the Committee is to assist the Board to discharge its responsibilities related to:
 - a) reviewing and overseeing ASX Limited's consolidated financial reports and statements;
 - b) overseeing the integrity of the ASX Group's accounting and corporate reporting systems;
 - c) liaising with and monitoring the performance and independence of the ASX Group's external auditor;
 - d) overseeing the process for identifying significant risks facing the ASX Group and arrangements for implementing appropriate controls, monitoring and reporting mechanisms; and
 - e) reviewing and overseeing systems of risk management, internal controls and compliance within the ASX Group (including internal audit), with the exception of those matters carried out by the boards of the CS Subsidiaries¹ ('CS Boards') as set out in the Clearing and Settlement Boards Charter and those matters carried out by the Technology Committee as set out in the Technology Committee charter.
4. The Committee has been appointed as the audit and risk committee for the CS Boards to:
 - a) oversee risk management matters outside the areas reviewed by the CS Boards and the Technology Committee and which are ASX Group enterprise-wide in nature; and
 - b) review and oversee:
 - (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.
5. The Committee also assists the Board and the CS Boards to review and oversee the arrangements for the ASX Group's market licensees and CS facility licensees to achieve compliance 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.
6. In performing its role, the Committee's responsibilities include the following matters (and any other matters that may be referred to it by the Board, the CS Boards or other Board Committees from time to time):

Focus Area	Responsibilities
Financial and Corporate Reporting	<ul style="list-style-type: none">• Review half-yearly and yearly financial reports and statements with management and the external auditor.

¹ The CS Subsidiaries are ASX Clearing Corporation Limited, ASX Settlement Corporation Limited, ASX Clear Pty Limited, ASX Clear (Futures) Pty Limited, ASX Settlement Pty Limited and Austraclear Limited.

	<ul style="list-style-type: none"> • Review and make recommendations to the Board regarding significant financial, accounting and reporting issues. • Review ASX's corporate reporting and disclosure processes and the outputs of those processes. • Review the appropriateness of the accounting policies adopted by management in relation to the financial reports and statements. • Receive representations and attestations from the Managing Director and Chief Executive Officer, and Chief Financial Officer. • Review financial statements and reports for compliance with accounting standards and policies and other requirements relating to their preparation. • Assess whether the half-year and full-year financial reports are consistent with the Committee members' information and knowledge.
<p>External Auditor</p>	<ul style="list-style-type: none"> • 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. • Review and approve the terms of engagement and fees of the external auditor at the start of each audit. • Consider and review the scope of work, reports and activities of the external auditor including interaction with the internal audit function. • Review the findings of the audit with the external auditor, and monitor management's response to reviews and recommendations of the external auditor. • Establish and review policies as appropriate in relation to independence of the external auditor. • Assess the independence of the external auditor based on the information received from the external auditor and management. In assessing independence, the Committee considers: <ul style="list-style-type: none"> - the employment of former employees of the external auditor; - policies on the supply of non-audit services by the external auditor; - the fees for audit and non-audit services provided by the external auditor on a regular basis; - the rotation of audit partners; - the external auditor's own statement on independence; and

	<ul style="list-style-type: none"> - any other information from the external auditor setting out its relationships that may affect its independence. • Review the effectiveness of the annual audit and the performance of the external auditors taking into account the opinions of management and internal audit.
Risk Management, Internal Audit and Internal Control	<ul style="list-style-type: none"> • Monitor the ASX Group’s risk culture and assess the extent to which it supports: <ul style="list-style-type: none"> - sound and effective risk management and the ability of the ASX Group to operate within risk appetite; - financial market integrity; and - the reputation and brand of the ASX Group. • 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. • 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 and the Technology Committee. • Review and oversight of the ASX Group’s response to significant operational incidents including those relating to technology performance. • Review and approve the charter, annual audit plans and activities for the internal audit function (and where appropriate, without management present). • Review the internal auditor’s reports on significant findings and recommendations on internal control systems and procedures. • Monitor management’s response to reviews and recommendations of the internal auditor regarding internal control systems and procedures. • Review the adequacy of resources and governance arrangements of the internal audit function. • Review and concur on the appointment, replacement and remuneration of the General Manager Internal Audit. • Review the performance, objectivity, independence and effectiveness of the internal audit function.
Insurance Program	<ul style="list-style-type: none"> • 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.
Compliance	<ul style="list-style-type: none"> • Review and oversee the ASX Group’s framework for identifying, monitoring and managing compliance with laws and regulations, including the statutory

	<p>obligations of the ASX Group’s market licensees and CS facility licensees as licence holders.</p> <ul style="list-style-type: none"> • Review regular reports from management in relation to ASX Group’s compliance with laws and regulations, including the statutory obligations of the ASX Group’s market licensees and CS facility licensees as licence holders. • Without limiting the above, review regular reports from management in relation to the arrangements for monitoring and enforcing compliance with the operating rules of the ASX Group’s market licensees and CS facility licensees, and monitor the adequacy of those arrangements. <p>These reports are to include information in relation to:</p> <ul style="list-style-type: none"> - the performance by Listings Compliance and Participants Compliance of their compliance and enforcement functions; and - the resources (including financial, technological and human resources) for performing those compliance and enforcement functions. <ul style="list-style-type: none"> • Review quarterly reports from the Chief Compliance Officer and the Chief Risk Officer to the ASX Group market licensees and CS facility licensees certifying that, in each of their opinions and within their respective areas of responsibility, the ASX Group market licensees and CS facility licensees have in place adequate arrangements for monitoring and enforcing compliance with their operating rules. <p><i>Note: 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.</i></p>
<p>Performance and Remuneration Arrangements</p>	<ul style="list-style-type: none"> • Provide input to the People and Culture Committee in respect of relevant matters that may be considered in assessing the performance and remuneration of executives (including the Chief Financial Officer, the Chief Risk Officer, the Chief Compliance Officer and the General Manager, Internal Audit).

7. 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.

Committee Composition

8. The members of the Committee are appointed by the Board, in consultation with the Nomination Committee.

9. The Committee will consist of at least three members all of whom are independent non-executive directors of the Board.
10. The majority of members must be independent non-executive directors of the Board.
11. 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.

Committee Chair

12. The Committee Chair is appointed by the Board, in consultation with the Nomination Committee.
13. The Committee Chair must be an independent non-executive director of the Board, and must not be the Chair of the Board.
14. The Committee Chair's primary responsibilities are leading the Committee and overseeing the processes for the Committee fulfilling its responsibilities under this Charter. The Committee Chair is also responsible for:
 - a) chairing Committee meetings and facilitating open and effective discussions at Committee meetings;
 - b) maintaining communications with management and the Company Secretary in relation to the Committee's information requirements; and
 - c) serving as the primary link between the Committee and the Board.

Committee Secretary

15. The Company Secretary of ASX Limited, or such other person as they may nominate, will act as the Committee Secretary.
16. The Committee Secretary reports directly to the Committee, through the Committee Chair, on all matters to do with the proper functioning of the Committee.
17. All Committee members have direct access to the Committee Secretary and vice versa.

Committee Meetings

Frequency and conduct

18. The Committee shall meet at least four times per year or more frequently if necessary to fulfil its responsibilities. The Committee Chair will call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the Chair of the Board.
19. Each director of the Board and the CS Boards shall have access to Committee papers. However, directors who are not Committee members are not required or expected to review Committee papers.

Quorum

20. A quorum shall be any two members or any greater number determined by the Board.

Attendance

21. Non-executive directors of the Board who are not Committee members may attend Committee meetings but are not required or expected to do so.
22. 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.
23. The following persons shall have a standing invitation to attend Committee meetings. The Committee may request that any of these persons withdraw for any part of a meeting:

- a) Managing Director and Chief Executive Officer
- b) Chief Financial Officer
- c) Chief Risk Officer
- d) Group General Counsel and Company Secretary
- e) General Manager, Internal Audit.

Access and Advisers

- 24. The Committee has unrestricted access to all staff and relevant records of the ASX Group it considers necessary to fulfil its obligations (including members of the internal audit function and the external auditor without management present) and has the right to seek explanations and additional information from management and auditors.
- 25. As necessary or desirable, the Committee may invite:
 - a) members of management, internal audit, representatives of the external auditor 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.
- 26. At least annually, the Committee shall meet separately with each of the external auditor and internal auditor without management present.
- 27. 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.
- 28. Under the terms of the ASX Whistleblower Protection Policy, ASX staff have access to the Committee Chair.
- 29. The Committee may (at ASX's expense):
 - a) appoint external experts to assist the Committee in carrying out its responsibilities; and
 - b) invite those external experts to attend and provide input at Committee meetings.

Where the Committee appoints such external experts, management will provide the external experts with the information necessary to enable the expert to perform its role.
- 30. The Committee considers, and (where appropriate) relies on, reviews and confirmations from the

external auditor, management attestations, external audit review and 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.

31. 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.

Reporting

32. The Committee Chair reports to the Board on matters considered by the Committee, and to the CS Boards on matters considered by the Committee that are relevant to the CS Subsidiaries. The reports will be provided at the next meeting of the respective Boards and may be verbal.
33. The Committee will refer to the Board, CS Boards or other Board Committees (as appropriate), any matters that have come to the Committee's attention that are relevant for those Boards or Board Committees.
34. Committee meeting minutes will be provided to the Board and CS Boards for noting.

Committee Charter Review

35. The Committee will review this Charter once every two years to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
36. Amendments to the Charter, other than updates for ASX branding or position titles, are to be approved by the Board.

Approval date

Charter approved: 21 August 2023