



Finance, Audit and Risk Committee Charter

Version Control

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0.2	Head of Governance, Risk and Compliance	25 June 2025	Removal of Remuneration components
0.3	Chair of FAR	12 March 2026	Overall revision



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Sydney Markets Limited Finance, Audit & Risk Committee Charter

1. Formation

The Board of Sydney Markets Limited (the Board) have resolved to establish a Finance, Audit and Risk Committee (the Committee) and has delegated to it the responsibilities set out in this Charter.

2. Role

The role of the Committee is to assist and advise the Board in discharging its responsibilities in relation to:

- (a) **SML's financial management and financial integrity** including:
 - o Its internal control framework, financial reporting, audit activities and material contracts
 - o Reviewing and assessing the appointment, independence and performance of the external auditor and the integrity of the audit process
- (b) **SML's risk and compliance** including:
 - o the implementation and effectiveness of SML's risk and compliance policies, frameworks, risk appetite and strategies and internal controls to manage material risks, other than those overseen by the Sustainability Committee
- (c) Make recommendations to the Board on each of the areas listed above where necessary
- (d) Any other matters referred to it by the Board or any other SML committee

3. Responsibilities

3.1 SML's financial management and financial integrity

The Committee will oversee SML's financing management, processes and reporting used and developed by Management with a view to safeguarding its financial integrity. Its responsibilities include:

- (a) Reviewing and assessing all financial information prepared for regulatory authorities, external lenders and that which is distributed externally
- (b) Reviewing and assessing the effectiveness of management's ongoing financial performance reporting framework to ensure the liquidity and solvency of SML;
- (c) Reviewing financial reporting issues and disclosure requirements
- (d) Reviewing the annual and interim financial statements and audited sections of the Annual Report, and considering whether they are consistent with the information known to Committee members and recommending approval of these to the Board, with particular focus on:
 - o The adequacy, accuracy, necessity and completeness of financial information
 - o Any legal matters that could significantly impact the financial statements
 - o Complex and /or unusual transactions and disclosures
- (e) Reviewing any significant changes in accounting policies and practices and where appropriate, recommending adoption to the Board
- (f) Reviewing and considering reports from External Audit in respect of internal controls

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- (g) Making regular enquiry of management and External Audit, about significant financial exposures, including as a result of illegal acts or fraud, and reviewing the steps Management has taken to address such exposure to SML
- (h) Reviewing and approving SML's policies relating to financial risk identification, assessment and management
- (i) Ensuring Management has a financial risk management process which effectively identifies, addresses and monitors significant financial risks, and that appropriate processes and controls are in place to ensure compliance with the related Risk Appetite Statement, policies and procedures, together with the reporting of any non-compliance
- (j) Reviewing, analysing and assessment of the Financial Metrics of all investment and capex business cases to ensure
 - o Appropriate Return on Investment (ROI) for the level of risk for the project
 - o Review of the Sensitivity Analysis to assess risk-return outcomes
 - o Benefit realisation reporting post completion
 - o Regular reporting of Project financials relative to budget
- (k) Make recommendations to the Board regarding the setting of the annual operating and capex budgets including incorporating input from other Committee chairs on their areas of focus
- (l) Monitoring financial performance of the Company against the operating and capex budgets and liaising with other committee Chairs as needed to review forecasts;
- (m) Making recommendations to the Board regarding any capital structure changes and dividend proposals
- (n) Make recommendations to the Board regarding the setting of SML Delegations of Authority
- (o) Reviewing and making recommendations to the Board concerning proposed borrowing arrangements including impact on future borrowing capacity, available cash reserves and the overall risk profile of SML ;

3.2 Oversight of the External Audit process

The Committee will monitor the activities and performance of the External Auditor. Its responsibilities include:

- (a) Reviewing and approving the guidelines for selection and appointment of the External Auditor
- (b) Making recommendations to the Board in relation to the appointment and removal of the External Auditor, and overseeing the rotation of the lead audit partner on a regular basis
- (c) Reviewing the reasonableness of, and endorse the annual audit plan
- (d) Reviewing the reasonableness of, and approve the annual External Audit fee and engagement terms
- (e) Reviewing External Audit reports, significant audit adjustments and any areas of dispute between Management and External Audit
- (f) Reviewing the annual accounts with the External Auditors and reporting to Board on those accounts, and any issues arising as appropriate

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- (g) Reviewing reports from the external auditors (including auditor's reports, closing reports and management letters).
- (h) Reviewing significant accounting and reporting issues and assessing the appropriateness of accounting policies and methods chosen by Management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern
- (i) Discussing with the External Auditors matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with Management and the adequacy of Management response
- (j) Managing and ensuring the independence and objectivity of the External Auditor

3.3 Oversight of risk management and compliance systems

The Committee will oversee and monitor the systems of risk management and compliance. Its responsibilities include:

3.3.1 Risk Management

- (a) Overseeing the design, implementation and maintenance of the risk management system and internal control framework, and reviewing its effectiveness on an annual basis
- (b) Reviewing and making recommendations to the Board on SML's Risk Appetite Statement including quantitative measures and thresholds
- (c) Reviewing the effectiveness and efficiency of SML's risk management function to ensure it is fit for purpose
- (d) Reviewing and assessing:
 - o The risks faced by SML, including risk concentration, and interrelationships between risks
 - o The likelihood and severity of the material risks
 - o The risk treatment and mitigation plans developed by Management
 - o Management's oversight of risk against the risk appetite set
- (e) Making regular enquiry of Management about significant shifts in risk positions or exposures
- (f) Regularly reviewing the enterprise and material risk register to ensure completeness and attention to high risk matters and ensure timely notification to the Board;
- (g) Overseeing the risk registers of the business lines /functions that sit under the main risk register
- (h) Quarterly monitoring of all borrowing arrangements to ensure they are in accordance with funding agreements and within the financial capacity of SML

3.3.2 Business continuity and incident management

- (a) Reviewing SML's incident management, business continuity and crisis management practices and policies
- (b) Reviewing material incidents including fraud, or breakdown of SML controls, the lessons learned, and the actions Management are taking in response

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3.3.3 Compliance and Conduct

- (a) Obtain regular updates from Management about compliance or ethical matters that may have a material impact on SML
- (b) Review, approve and oversee the policies, processes and frameworks for identifying, analysing and treatment of complaints (including those received under the Whistleblower Policy) relating to audit, financial statements, internal controls, misbehaviour or conduct in breach of SML's policies.
- (c) Review the effectiveness of SML's systems, policies and processes for compliance with laws, regulations and internal policies.
- (d) Review the results of Management's investigation and follow up (including disciplinary actions) of any instances of non-compliance

3.3.4 Other Requirements

- (a) Review and endorse the renewal / or changes to SML's insurance arrangements to the Board to ensure appropriate coverage, exclusions, excesses counterparty risks etc. with regard to SML's circumstances and need
- (b) Institute and oversee special investigations as needed
- (c) In conjunction with the SML Board and Sub-Committees, ensuring there is appropriate oversight of all material risks across the SML Board and Sub-Committees
- (d) Request internal audits or third party reviews to assist it in discharging its responsibilities above on the effectiveness of processes and internal controls to manage material risks when required.

4. Other responsibilities

The Committee will:

- (a) Create an annual workplan at the beginning of each calendar year detailing the committee's activities for that year and presenting this plan to the Board for noting at the first meeting convened that calendar year.
- (b) Review the content, quality, type and presentation of information provided to the Board
- (c) Evaluate the performance and effectiveness of the Committee and its members annually and recommend changes to the Board
- (d) Meet privately with the following parties at least annually in separate sessions to discuss any matters they believe should be privately discussed: External Auditor, Legal Counsel

5. Membership

- (a) The members of the Committee will be determined by the Board.
- (b) The Board will appoint at least three, but not more than five Non-Executive Directors as members of the Committee. All members should have sufficient experience and capabilities to be able to consider and contribute to the matters for which the Committee is responsible.
- (c) The Chair must be an independent director, who is not also the Chairperson of the Board.

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- (d) The Chair of the Board and other Directors who are not members of the Committee have a standing invitation to attend as observers.
- (e) Composition of the Committee will be reviewed at least annually by the Board to ensure the appropriate balance of skills, knowledge and experience.

6. Attendance

- (a) The CEO CFO and most senior risk manager are expected to be available to attend all meetings.
- (b) Representatives of External Audit and any member of the Executive Leadership Team (ELT) or their delegates may be invited to attend part or all of any meeting, and the Committee may request they also withdraw from any part of a meeting.
- (c) At the Committee Chair's discretion, the Committee may invite external advisers or observers to attend all or part of any meeting as needed.

7. Meetings

- (a) The Committee will meet at least four times per annum.
- (b) The Company Secretary of the Board will be the Secretary of this Committee. The Secretary will keep minutes and resolutions of the proceedings.
- (c) The minutes will be distributed to all Committee members after the meeting and ratified in the next Committee meeting.
- (d) The minutes will be uploaded to Diligent as part of the papers for following Committee meeting . They will be accessible to all Directors.
- (e) Papers will be distributed to the Committee five business days in advance.
- (f) The Committee will regularly report to the Board about relevant activities and recommendations as appropriate.

8. Access to Information and Independent Advice

The Committee has the authority to require:

- (a) the attendance of any management or employees of SML and the right to interview them;
- (b) access to, and meeting with, the auditors without ELT of SML present; and
- (c) unrestricted and unfettered access to any information, document, report or material in the possession of any manager, employee and all employees and managers must comply with such requests from the Committee, subject to any legal requirements, including any fiduciary or statutory duties of Committee members.
- (d) The Committee may engage any independent legal, financial or other specialist advice as it considers necessary to adequately discharge its responsibilities under this Charter, at SML's expense.

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9. Reliance

The Committee members are entitled to rely on:

- (a) information or advice of management and employees of SML on matters within their area of responsibility; and
- (b) the advice of internal and external counsel and other experts on matters within their areas of expertise, provided that reliance is permitted by law.

Before a Committee member can rely on information or advice referred above, the Committee member must be satisfied that:

- (c) there are no facts or circumstances that he or she is aware, or ought to be aware, which would deny reliance; and
- (d) he or she has reviewed the information or advice, having regard to the member's knowledge of SML.

10. Reports to Board

- (a) The Committee will keep the Board informed of its activities through the provision of the minutes and Committee papers of each meeting.
- (b) Additionally, the Committee Chairman will formally advise the Chairman of the Board of any matters or recommendations requiring the attention by the Board and will ensure that the Board are made immediately aware of any matters brought to the attention of Committee Chairman, that may significantly impact the financial condition or reputation of the SML.

11. Voting

- (a) Matters will be decided by majority votes from the Directors present within a Board meeting, attended either in person or virtually, including via Circular Resolution.

12. Review

- (a) The Committee should review this Charter at least annually, to ensure it remains consistent with the Board's objectives and responsibilities and continues to reflect the current processes and appropriate principles.
- (b) The Board must approve any amendments made to the Charter as a result of any review.