



Board Charter

Version Control

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Private and Confidential

Sydney Markets Limited Board Charter

1. Roles and Responsibilities

The role of the SML Board (Board) is to govern SML on behalf of its shareholders, and to represent, serve, protect and promote the interests of SML's shareholders and stakeholders.

The Board's roles and responsibilities include the following:

1.1 Board operations

- (a) Establishing Board Sub-Committees, their membership, Charters and delegated authorities
- (b) Setting the remuneration pool of Non Executive Directors within the aggregate fee pool approved by shareholders

1.2 Strategy, Budget and Financial

- (a) Approving, with Senior Management input, SML's strategic, business and financial plans to be implemented by Senior Management, with performance criteria within which the Board expects SML's Senior Management team to operate. Overseeing Management's implementation of SML's strategic objectives
- (b) Approving and monitoring the progress of major capital expenditure, capital management, major acquisitions and divestments in line with SML's Delegations of Authority
- (c) Approving and monitoring SML's operating budgets
- (d) Overseeing the integrity of SML's accounting and corporate reporting systems, including the External Audit
- (e) Approving annual and interim financial statements and reports
- (f) Approving SML's Delegations of Authority
- (g) Approving the appointment, removal and remuneration of the External Auditor

1.3 Culture, Conduct and Reputation

- (a) Approving SML's Values and Code of Conduct, and modelling and monitoring the culture of SML
- (b) Acting to protect and enhance the performance and reputation of SML, and to build sustainable value for shareholders
- (c) Safeguarding SML's brand and reputation

1.4 Governance, Risk Management and Compliance

- (a) Overseeing the management, performance and corporate governance frameworks of SML, including ensuring that mechanisms are in place for making timely and balanced decisions and disclosures to shareholders regarding SML's performance and major developments on SML operations
- (b) Setting SML's Risk Appetite Statement, including approving the measures of risk appetite and tolerance, and monitoring performance against these on a regular basis. Reviewing this on an annual basis to ensure it is aligned to strategic objectives and empowers decision making.

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- (c) Satisfying itself that SML has in place appropriate risk management frameworks (for both financial and non financial risks). Approving SML's Risk Management Framework and policies for identifying and managing current and emerging financial and non-financial risks
- (d) Overseeing, with input from the Finance, Audit, Risk and Remuneration Committee (FARR Committee) that SML's Risk Management Framework, compliance systems and internal control framework is operating effectively and continues to be sound
- (e) Monitoring the effectiveness of SML's governance practices
- (f) Evaluating the structure and adequacy of SML's business continuity plans

1.5 Sustainability

- (a) Approving SML's Sustainability strategy, key sustainability initiatives, frameworks, targets and policies and monitoring performance against sustainability targets
- (b) Monitoring the social, ethical and environmental impact of SML's operations and approving corporate responsibility and climate / sustainability related disclosures

1.6 CEO and Senior Management

- (a) Select, appoint, remove and evaluate the performance of, determine the remuneration of and plan succession of the CEO
- (b) Wherever required, challenging Senior Management and holding them to account

1.7 Remuneration

- (a) Satisfying itself that SML's remuneration policies are aligned to SML's purpose, values, strategic objectives and risk appetite
- (b) Approving recommended variable remuneration and performance targets for the CEO and Senior Management

2. Other responsibilities

The Board will:

- (a) Review the content, quality, type and presentation of information provided to the Board
- (b) Evaluate the performance and effectiveness of the Board and its members annually
- (c) Review and assess the adequacy of this Charter annually, or in the case of a significant event requiring its review sooner.
- (d) Meet privately with the following parties at least annually in separate sessions to discuss any matters they believe should be privately discussed: CEO, CFO, External Auditor, Head of Governance, Risk and Compliance, Legal Counsel

In fulfilling these responsibilities, the Board will have regard to the interests of SML's shareholders, industry groups, employees, customers, suppliers, government agencies, regulators and the community in which SML operates.

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3. Board composition

- (a) SML's Memorandum and Articles of Association defines the size and composition of the Board. The Board will review the skills, experience, expertise and diversity (including gender, age, social and cultural backgrounds) represented by Directors on the Board, and regularly review whether the composition is appropriate for the Board to deliver its purpose.
- (b) The Board will maintain a 'skills matrix' setting out the required and desired skills for the Board. This matrix will be applied when selecting new Directors. The Board will review the skills represented by the Directors against the skills matrix periodically and in the event of a vacancy or expected vacancy, to ensure the composition and mix of those skills remain appropriate.
- (c) When considering the skills matrix, the Board will ensure that sufficient diversity exists across the Board.
- (d) There must be an appropriate balance of experience on the Board. To help achieve this, the Board has adopted the principle that in relation to the tenure of Directors, a Director will not serve a term of greater than nine years (cumulative) unless the Board considers that special circumstances exist to warrant an extended tenure.

4. Board Procedures and Responsibilities

- (a) Each Director is expected to conduct themselves in accordance with SML's Board Code of Conduct and their legal duties and responsibilities.
- (b) The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will make proper use of their authority and will demonstrate appropriate decorum when representing SML, always acting within any limitations imposed by the Board on their activities. The Board do not participate in day to day business operations, or market activities.
- (c) The Board holds at least six scheduled meetings per year, with any additional meetings as required, either in person or via electronic means.
- (d) The Board has sole authority over its agenda and exercises this through the Chair.
- (e) Any Director may, through the Chair, request the addition of an item to the agenda.
- (f) The agenda will be set by the Chair in consultation with the CEO and the Company Secretary.
- (g) Written minutes of each meeting are to be prepared and presented for approval at the next normal meeting of the Board. In addition, an official record of papers and presentations submitted to the Board is kept and made available to Directors at all times.
- (h) Directors will use all reasonable endeavours to prepare thoroughly for, and to attend, all Board meetings.
- (i) Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.
- (j) Directors unable to attend a meeting should advise the Chair as soon as possible.
- (k) Directors commit to the collective, group decision-making processes of the Board. Board discussions will be open and constructive, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.

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- (l) Once decisions have been made by the Board, all Directors are expected to support the letter and spirit of those decisions outside the Board.
- (m) The Board collectively, and each Director individually has the right to seek independent professional advice, subject to the approval of the Chair, or the Chair of the FARR Committee in the event of the Board Chair seeking professional advice, or where the Board Chair would be conflicted in approving. Any financial costs must be approved by the Board Chair (or FARR Chair for the Board Chair), before they are incurred.
- (n) Directors must avoid conflicts of interest, and where these do arise, declare and manage them in accordance with legal requirements and the intent and content of this Charter. If a known conflict exists, the Chair will take all reasonable steps to avoid any relevant papers being circulated to the affected Director prior to any Board discussion taking place. The affected Director should excuse themselves from discussion and should not vote on matters in which they have an interest.
- (o) Directors will keep confidential all Board information, discussions, deliberations and decisions that are not publicly known. Directors' obligations of confidentiality continue after they have ceased to be Directors.

5. Chair roles and responsibilities

- (a) The Chair is to be elected in accordance with Article 10.4 of SMLs Memorandum and Articles of Association.
- (b) The Chair is responsible for leading the Board and ensuring that it is operating to the highest governance standards, including encouraging a culture of openness and debate to foster a high performing and collegial team of Directors that operates effectively.
- (c) In leading the Board, the Chair will focus on ensuring strategic issues and shareholder views are regularly reviewed, clearly understood and underpin the work of the Board, facilitating the relationship between the Board and the CEO, and ensuring the provision of accurate, timely and clear information.
- (d) The Chair will ensure there are processes and procedures in place to evaluate the performance of the Board and individual Directors, including the Chair. The Chair will provide advice and mentoring to Directors, and is encouraged to provide frank but constructive feedback where the Chair considers this necessary to ensure the proper performance of the Board or to address any performance or other issues involving an individual Director or as between Directors or any non-conformance with this Charter.
- (e) The Chair has authority to act and speak for the Board between its meetings, including engaging with the CEO. The Chair will report to the Board as appropriate on decisions and actions taken between meetings of the Board.

6. Board Delegations

(i) To Sub-Committees

- (a) The Board may and has delegated certain matters to Board Sub-Committees in fulfilling its responsibilities, as set out in each Committee Charter. The permanent standing Committees of the Board are:
 - the Finance, Audit, Risk and Remuneration Committee
 - the Sustainability Committee
 - the Nominations Committee

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- (b) The Committees will have access to sufficient resources and expertise to carry out their activities effectively.
- (c) The Board will determine each Committee's Charter, and outline the roles and responsibilities, membership and meeting requirements.
- (d) The Board may convene ad hoc Board Committees as required.
- (e) The Board from time to time may establish Working Groups comprising of Directors together with Senior Management representatives, shareholder representatives, Industry Group representatives and / or other advisors to prepare recommendations for the Board. These Working Groups have no authority to commit SML or the Board to any course of action.

(ii) To the CEO

- (a) While the Board retain overall responsibility for the culture, strategy and performance of SML, the day to day operations of SML is conducted by the CEO and their Senior Management team.
- (b) The CEO will be the primary point of accountability and link between the Board and operational management functions. The CEO is responsible for instilling a top down culture aligned to SMLs values.
- (c) Management reports to the Board through the CEO, and the CEO reports to the Board directly at Board meetings and in written updates, and through the Chair.
- (d) The Board recognise that while the CEO is not a Director, the CEO must have full access to the Board and to fully engage in Board discussions in a frank, transparent and constructive manner.
- (e) The Board from time to time will meet without management attendance, where this is appropriate.
- (f) Directors are entitled to have access, as is reasonable, to all relevant information and to management. In the normal course of business, this access will be directed through the CEO.

7. Access to Information and Independent Advice

The Board has the authority to require:

- (a) the attendance of any management or employees of the SML and the right to interview them;
- (b) access to, and meeting with, the auditors without Senior Management 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 Board, subject to any legal requirements, including any fiduciary or statutory duties of Board members.
- (d) The Board 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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8. Reliance

The Board 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 Board member can rely on information or advice referred above, the Board 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.

9. Attendance

- (a) The CEO, CFO, COO, and Head of Governance, Risk and Compliance are expected to be available to attend all meetings.
- (b) Representatives of External Audit and any Senior Management 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.

10. Meetings

- (a) The Board will meet no less than six times per annum.
- (b) The Company Secretary of the Board will be the Secretary of the Board. The Secretary will keep minutes and resolutions of the proceedings.
- (c) The minutes will be uploaded to Diligent as part of the following Board meeting. They will be accessible to all Directors.
- (d) Papers will be distributed to the Board five business days in advance.

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 Board 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.