



Sydney Airport Limited

Audit and Risk Committee Charter

Purpose

This Charter sets out the authority and responsibilities delegated by the board of directors (Board) of Sydney Airport Limited (Sydney Airport) to the Audit and Risk Committee (the Committee) and details how the Committee will operate.

Composition of the Committee

The Committee will comprise at least three non-executive directors, a majority of whom are independent and its members between them will have the accounting and financial expertise and a sufficient understanding of the industry in which Sydney Airport operates to be able to discharge the Committee's duties and responsibilities effectively.

The Board will appoint one of the independent directors on the Committee to be chair of the Committee. The chair of the Board is not eligible to be the chair of the Committee.

The Chief Financial Officer or Company Secretary will nominate for approval of the Committee a suitably credentialed employee to act as secretary of the Committee.

Meetings and minutes

The Committee will meet as frequently as it believes is required to fulfil its duties and responsibilities effectively. Additional meetings may be convened if matters arise between scheduled meetings that need immediate consideration. Where a meeting is called at short notice, consideration (including in respect of the time and place) will be given to ensure a maximum number of Committee members are available to attend. In addition, the secretary of the Committee is required to call a meeting of the Committee if requested to do so in writing by any Committee member, the Board or the external auditor.

A quorum of the Committee is two members, at least one of which must be independent.

If the chair of the Committee is unable to attend a meeting and no acting chair has been appointed, another member of the Committee who is an independent director will act as chair at that meeting.

Matters requiring a decision will be decided by a majority of votes of members of the Committee present at meetings. The chair does not have a casting vote.

Any director may attend meetings of the Committee, but only members of the Committee will have voting rights. The Committee may invite other persons to its meetings as it deems necessary.

Draft minutes of the Committee will be prepared by the secretary of the Committee, approved by the chair of the Committee and circulated to all members of the Committee. Final minutes of each Committee meeting will be provided to the Board.

At the next Board meeting after a Committee meeting, the chair of the Committee will provide an update on any material matters that should be brought to the Board's attention or that require the Board's approval.

Access to information and independent advice

The Committee must be provided with the information it needs to efficiently discharge its duties. This must be provided by management in a form and timeframe and be of sufficient quality.

The Committee has authority to conduct or authorise investigations into any matters within its role and to refer matters to other committees of the Board for review.

The Committee may make recommendations to the Board about any matter within the Committee's duties and responsibilities that require a decision of the Board.

The Committee does not have the authority to make decisions on any matter reserved for the Board, unless the power to make a decision is specifically delegated by the Board through this Charter or as authorised by resolution of the Board.

The Committee may at any time meet the external auditor, any internal auditor or any member of management in a separate session to discuss any matters that the Committee, the external auditor, any internal auditor or the relevant member of management believe should be discussed privately.

Committee members are entitled to obtain reasonable independent legal, financial or other advice at Sydney Airport's cost. Any Committee member seeking independent advice must first discuss the request with the chair of the Committee who will facilitate obtaining such advice and, where appropriate, will provide a copy of the advice to each of the other Committee members.

Charter review

The Committee will review this Charter as required to ensure that it is consistent with the Committee objectives and responsibilities. Any changes to the Charter must be approved by the Board.

Audit and Risk Committee responsibilities

The role of the Committee is to assist the Board by:

Corporate Reporting and Internal Controls

- reviewing and assessing the adequacy and integrity of Sydney Airport's corporate reporting processes and internal control framework.
- reviewing the annual and half-yearly financial statements, including the directors report and the remuneration report and considering whether they are consistent with information known to the Committee and provide a true and fair view of Sydney Airport's financial position and performance.
- assessing the appropriateness of accounting policies adopted in the financial statements and the accounting judgements or choices exercised by management in preparing the financial statements and approving non material changes to accounting policies and making recommendations to the Board on material changes to accounting policies.
- reviewing and discussing with management and the external auditors the results of the external audit.
- reviewing the terms of management representation letters to be provided to the Board or the external auditors and also reviewing the adequacy of the statements to be provided to the Board by the CEO and CFO under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Corporate Governance Council's Principles and Recommendations in respect of Sydney Airport's financial records, financial statement and system of risk management and internal control.
- reviewing the effectiveness of Sydney Airport's internal control framework, including IT systems and data security.
- reviewing reports from external and internal auditors in relation to internal controls and monitoring management's response to significant findings and recommendations.

External Auditor

- overseeing the selection, appointment and removal of the external auditor including assessing the performance and independence of the external auditor (having particular regard to the provision by the auditor of non-audit services) and reviewing the procedures for the rotation of the external audit engagement partner.

- reviewing and approving the external auditor's scope of audit and audit plans, terms of engagement and audit fees and ensuring the annual and half-year statutory audits and reviews are conducted in accordance with the audit plans.
- at least once a year, or more frequently if required, meeting with the external auditor separately from management to discuss matters that the Committee or the auditor consider are best discussed in that forum.

Internal Auditor

- approving the appointment and replacement of the internal auditor or the head of internal audit.
- approving the scope and adequacy of the internal audit plan, including changes to resourcing and budget, and reviewing and monitoring the independence, objectivity and performance of the internal audit function.
- at least once a year, or more frequently if required, meeting with the internal auditor or the head of internal audit separately from management to discuss matters that the Committee or the auditor consider are best discussed in that forum.

Risk Management

- reviewing Sydney Airport's risk management framework and risk appetite at least annually to confirm that they continue to be sound and recommend to the Board any changes that should be made to the risk management framework or to the risk appetite set by the Board.
- monitoring management's performance to ensure it is operating within the risk appetite set by the Board.
- reviewing Sydney Airport's risk profile for both financial and non-financial risks taking account of any new and emerging risks that may be identified, and mitigation measures that management have put in place to manage those risks and keeping the Board informed of all material business risks.
- monitoring the effectiveness of the controls implemented by management to manage risks including by receiving reports from the internal auditor and by reviewing any material incidents

involving fraud or the breakdown of Sydney Airport's risk controls.

- reviewing and assessing Sydney Airport's crisis management and business continuity plans.

Compliance

- reviewing the effectiveness of Sydney Airport's compliance framework and compliance management system including receiving reports from the internal auditor and by reviewing any compliance breaches identified internally or by regulators.
- monitoring compliance with applicable laws and regulations.

- overseeing and reviewing any whistleblower reports (subject always to the confidentiality provisions set out in Sydney Airport Whistleblower Policy), compliance issues and any material incidents or breaches of Sydney Airport's Code of Conduct and Anti-bribery and Corruption Policy.

Insurance

- overseeing the structure and adequacy of Sydney Airport's insurance program and any insurable risks.

Other Matters

- providing advice or direction to management on any matter referred to the Committee relating to the above duties and responsibilities.