TMX AUSTRALIA EXCHANGE

Due Diligence Overview

INTRODUCTION

TMX Australia Exchange, which is the trading name of TMX Australia Exchange Pty Limited (previously Cboe Australia Pty Ltd) ("TMX"), is a licensed market operator and subject to significant regulatory oversight and a range of licence and regulatory obligations. As one of its fundamental obligations, TMX must, to the extent that it is reasonably practicable to do so, do all things necessary to ensure that the market is a fair, orderly and transparent market as required under s 792A(1)(a) of the *Corporations Act 2001* (Cth) ("*Corporations Act*").

The *ASIC Regulatory Guide 172* states that the obligation to operate a fair, orderly and transparent market requires that market operators provide access to their facilities and services in a fair, transparent and non-discriminatory manner, including with respect to commercial terms.

Consistent with these obligations, TMX generally does not complete or respond to bespoke due diligence questionnaires from participants, product issuers, vendors or other customers ("customers"). This approach is intended to promote fairness, consistency and equal access to information by ensuring that all customers have access to the same information, regardless of their size, resources or commercial relationship with TMX.

TMX nevertheless recognises the importance of enabling customers to conduct appropriate due diligence. Accordingly, this document provides a high-level overview of TMX's business, governance, risk management and operational arrangements to assist customers in undertaking that assessment.

CONFLICT OF INTEREST

Under s 792A(1)(c)(i) of the *Corporations Act*, TMX must have adequate arrangements for handling conflicts between its commercial interests and the need for the licensee to ensure that the market operates in a fair, orderly and transparent manner.

TMX has an established conflicts management policy which contains TMX's arrangements for managing all potential material conflicts. This policy outlines the types of conflicts that TMX may be required to manage and the approach it will take in doing so. Where appropriate, TMX has developed bespoke arrangements to deal with particular conflicts pursuant to the policy.

For information on how TMX manages material conflicts for its board members, see the relevant disclosure at https://www.tmxaustralia.com/compliance.

BUSINESS CONTINUITY AND RESILIENCE

TMX maintains arrangements designed to ensure the resilience, reliability, integrity and security of its critical operations and services ("Resilience Arrangements"). TMX has established these Resilience Arrangements to support compliance with its licence and regulatory obligations as well as guidance issued by the Australian Securities and Investments Commission ("ASIC"), including in respect of the requirements under Chapter 8A of the *ASIC Market Integrity Rules (Securities Markets) 2017*.

At a high level, the Resilience Arrangements contemplate the potential scope and severity of an event, including a significant business disruption, and are designed to enable continuity of the usual operation of TMX's critical operations and services during an incident or major event (i.e., an event which would or would be likely to cause significant disruption to TMX's market operations or materially impact TMX's market services), and to the extent continuation of the usual operation is not possible, timely and orderly restoration of those usual operations following the major event.

Accordingly, the Resilience Arrangements address a range of key resilience considerations, including governance, resilience mechanisms at data centres, data back-up and recovery, internal and industry-wide testing, information security measures, periodic reviews and assessments, alternative external and internal communications and post-event analysis. The Resilience Arrangements also provide for regulatory reporting in the event there is an event that requires escalation to ASIC.

Although the nature and severity of a disruption may affect the timeframe required to resume normal operations, TMX maintains geographically separate primary and secondary data centre environments designed to support the resilience and continuity of its technology operations. This enables TMX to fail over its critical systems to a secondary site in the event of an outage affecting the primary data centre, facilitating the prompt recovery of its market operations and services.

TMX periodically tests its Resilience Arrangements to assess their effectiveness and incorporate continuous improvement in line with evolving industry practices. In addition, TMX conducts industry-wide business continuity testing to enable its participants and other stakeholders to test their business continuity arrangements.

For more information on the resilience mechanisms and the procedures TMX will follow in the event of a market outage, see the Resilience Mechanisms and Disaster Recovery Playbook available at: https://www.tmxaustralia.com/equities/support/resources.

INFORMATION SECURITY

TMX's Resilience Arrangements include an information security framework designed to protect the confidentiality, integrity and availability of its information assets. Under this framework, TMX maintains information security policies, procedures and other controls that are proportionate to its exposure to vulnerabilities and threats and commensurate with the nature, scale and complexity of its operations.

The framework includes information security capabilities designed to protect TMX's information assets from unauthorised access, theft, loss and corruption, and to identify, assess, manage and respond to information security risks and incidents. These capabilities include access management controls, periodic reviews of access permissions, monitoring, audit trails and logging of access to critical systems. In addition, TMX uses a closed network for access to its trading system as a fundamental component of its information security and operational resilience framework. The framework is also designed to support the availability of access to critical data and the backup, protection and timely recovery of that data in the event of a disruption.

FINANCIAL INFORMATION

Under s 792A(1)(d) of the *Corporations Act*, TMX must have sufficient financial resources to operate the market properly. TMX periodically assesses the adequacy of its financial resources, having regard to the nature, scale and complexity of its business, its operational and regulatory obligations, as well as the need to support the orderly management of its operations in the event of a wind-down.

Further, under s 792A(1)(e), TMX must ensure that approved compensation arrangements are in place for the TMX market. Details of the approved current compensation arrangements are outlined under Rule 11A of the TMX Operating Rules available at: https://www.tmxaustralia.com/compliance.

DATA PRIVACY

TMX is committed to protecting the privacy of TMX customers and their personal data in accordance with the *Privacy Act 1988* (Cth), including the Australian Privacy Principles, and other relevant privacy laws.

For further information, see the TMX Privacy Policy available at: https://tmx.com/en/privacy-policy.

OTHER REFERENCE MATERIALS ON REGULATORY OVERSIGHT

TMX is subject to ongoing supervision by ASIC including reviews by ASIC which are then covered in public reports. For example, please see:

(a) ASIC report 468 on cyber resiliency available at https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-468-cyber-resilience-assessment-report-asx-group-and-chi-x-australia-pty-ltd/;[1]

(b) ASIC report 392 on market assessments of TMX available at https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-392-market-assessment-report-chi-x-australia-pty-ltd/; and

(c) Australia: Report on the Observance of Standards and Codes (ROSC) — Summary Assessments available at http://www.imf.org/external/pubs/ft/scr/2012/cr12307.pdf, in which the IMF has stated that Australian exchanges are subject to "intensive oversight" (see pages 51-52, in comments on

[1] TMX Australia Exchange was formerly known as Chi-X Australia.

Principle 9 of the IOSCO Principles, which deals with the regulatory oversight of regulated exchanges).

Please note, TMX does not provide third parties with copies of internal policies and procedure documents.

Should you have further questions, please contact us at the details below.

TMX Compliance

au.compliance@cboe.com