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# ASX Business Committee Charter

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## 1 Background to the Business Committee

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- 1.1 The ASX Business Committee was convened under the ASX Cash Equities Clearing and Settlement Code of Practice (**Code of Practice**) in August 2013.
- 1.2 Subsequent updates to the Code of Practice were made in October 2016, July 2023 and April 2024 to set out commitments of ASX Clear Pty Limited (**ASX Clear**) and ASX Settlement Pty Limited (**ASX Settlement**) (together referred to as **ASX**) to comply with the Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia (**Regulatory Expectations**) and the Regulatory Expectations for ASX Cash Equities Clearing and Settlement Advisory Group (**Letter of Expectations**), and their commitments to users in managing clearing and settlement infrastructure and services for the Australian cash equities market.
- 1.3 Under the revised Code of Practice, the role of the Business Committee was updated as a mechanism for input in to ASX's governance framework alongside the ASX Cash Equities Clearing and Settlement Advisory Group.
- 1.4 This charter draws from the commitments made by ASX Clear and ASX Settlement in the Code of Practice, the Regulatory Expectations and the Letter of Expectations. It sets out the role, membership and administrative matters for the effective functioning of the Business Committee.

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## 2 Role of the Business Committee

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- 2.1 The role of the Business Committee is to provide:
  - a. input for consideration by ASX Management and the Boards of ASX Clear and ASX Settlement on the ongoing operation of cash equities clearing and settlement infrastructure and services provided by ASX;
  - b. input for consideration by ASX Management and the Boards of ASX Clear and ASX Settlement on setting the ASX investment strategy for cash equities clearing and settlement infrastructure and services development, and the system design, operational arrangements and implementation plan for new cash equities clearing and settlement infrastructure and services provided by ASX;
  - c. advice to ASX Management to assist in progressing cash equities clearing and settlement initiatives of interest to the industry, with the aim of facilitating service innovation and improving overall market efficiency; and
  - d. a mechanism for ASX Management and the Boards of ASX Clear and ASX Settlement to consult clearing participants, settlement participants and other market operators regarding their strategic plans and investment decisions in relation to the design, operation and development of the core clearing and settlement infrastructure and services for the Australian cash equities market.

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- 2.2 In some circumstances, it may be appropriate for the Business Committee to appoint and convene technical committees to assist in the performance of its role. Technical committees will report to the Business Committee. Members of the Business Committee and ASX Management may nominate technical committee members. The technical committees may comprise representatives of Business Committee members and/or other individuals with appropriate expertise.
  - 2.3 The Business Committee will operate alongside other stakeholder forums, including the ASX Cash Equities Clearing and Settlement Advisory Group (**Advisory Group**), a high-level strategic stakeholder advisory group which may refer matters to the Business Committee or which may be referred matters by the Business Committee. The Chair of the Business Committee may be invited to attend Advisory Group Meetings, or the Chair of the Advisory Group may be invited to attend Business Committee meetings, as appropriate. If there are inconsistent recommendations of the Business Committee and the Advisory Group to the boards of ASX Clear and ASX Settlement, each is presented to the boards of ASX Clear and ASX Settlement for consideration.
  - 2.4 The other stakeholder forums will remain separate from the Business Committee but may share information with or provide technical expertise to the Business Committee as appropriate.

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### 3 Membership of the Business Committee

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- 3.1 The Business Committee will comprise clearing participants and settlement participants that elect to participate in the Business Committee as well as representatives of market operators, other relevant stakeholders and their associated industry organisations.
- 3.2 ASX Clear and ASX Settlement will appoint and remove members of the Business Committee in accordance with the Membership Policy as determined and published by ASX Clear and ASX Settlement from time to time.
- 3.3 A member of the Business Committee may resign its membership by giving notice in writing to the Chair of the Business Committee.
- 3.4 ASIC and the Reserve Bank will not be members of the Business Committee but will have a standing invitation to attend Business Committee meetings as observers.

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### 4 Responsibilities of Business Committee members

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- 4.1 Each Business Committee member is expected to:
  - a. nominate a representative to attend meetings of the Business Committee who has the authority to speak on its behalf and has the expertise to make a meaningful contribution at such meetings;
  - b. represent the views and interests of its organisation or constituency, as the case may be, on matters being considered by the Business Committee;
  - c. act honestly and in good faith in the exercise of their role in the Business Committee;
  - d. share with the Business Committee appropriate and useful information relevant to the role of the Business Committee; and
  - e. treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the Business Committee or otherwise for the purpose of the Business Committee's operation, until

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made public by ASX, and not use them for any purposes other than for the exercise of their responsibilities as member of the Business Committee (unless expressly permitted by ASX).

- 4.2 This Charter does not prohibit a member from seeking input, in confidence, from within their organization or from the stakeholder cohort they form part of, to exercise their responsibilities as a member of the Business Committee.
- 4.3 The objective is for the Business Committee meetings to be comprised of executives with a deep understanding of clearing and settlement, for example, Chief Operating Officers.
- 4.4 A representative of a Business Committee member that attends a meeting of the Business Committee must not also be a member of the Advisory Group. This does not apply to the Managing Director and CEO of ASX Limited if attending a Business Committee meeting as representative of ASX Limited as market operator.
- 4.5 Business Committee members are reminded to have regard to their obligations under competition law. The *Competition and Consumer Act 2010* (Cth) prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.

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## 5 Chair of the Business Committee

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- 5.1 ASX Clear and ASX Settlement shall appoint the Chair of the Business Committee (Chair).
- 5.2 The appointment of the Chair will be for an initial term of three years, with the potential for reappointment in accordance with clause 5.1.
- 5.3 The Chair will be independent and must not hold or have held in the past three years:
  - a. An executive position with ASX or a position as a director of an ASX Group Board; or
  - b. An executive position with any current member of the Business Committee.
- 5.4 Should the Chair be unable to attend a meeting of the Business Committee or to perform the Chair's functions generally, ASX may, in consultation with the Chair (if available), appoint another person from among the representatives of Business Committee members or from ASX management to act as chair for the purpose of such meeting or functions.
- 5.5 The role of the Chair is to:
  - a. convene, set the agenda for, and preside over meetings of the Business Committee;
  - b. take a leadership role in facilitating discussion and forging a consensus among Business Committee members on matters being considered by the Business Committee;
  - c. keep and approve the minutes of meetings of the Business Committee; and
  - d. report to, and from, the Boards of ASX Clear and ASX Settlement in relation to recommendations of the Business Committee and other matters raised by the Business Committee.

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## 6 Meetings of the Business Committee

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- 6.1 The Business Committee will meet at least four times a year.
- 6.2 The Chair may determine, in consultation with members of the Business Committee, that more than four meetings be held in a year.
- 6.3 The Chair may invite ASX management, or other organisations, to attend meetings of the

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Business Committee.

- 6.4 Draft meeting agendas will be electronically circulated to members prior to meetings of the Business Committee to provide members with an opportunity to contribute to the agenda setting process.
- 6.5 Meeting agendas and associated papers will be circulated to members one week prior to the relevant meeting.
- 6.6 A quorum for a meeting of the Business Committee is a majority of its members and the Chair. All recommendations of the Business Committee to ASX Management and the Boards of ASX Clear and ASX Settlement shall be made on the basis of a broad consensus of those members present at the relevant meeting of the Business Committee.
- 6.7 The Chair will determine whether a broad consensus has been achieved by confirming with each member present whether they support the proposed recommendation. In making this determination, unless notified to the contrary by the member concerned, the Chair shall be entitled to assume that a member who does not attend a meeting is prepared to accept any recommendation on a matter, of which notice was given in the agenda for the meeting, made by those members who are present at the meeting.
- 6.8 All meetings of the Business Committee are to be minuted. The minutes are to be approved by the Business Committee and signed by the Chair as a true and correct record.
- 6.9 Draft minutes (together with a report from the Chair) in relation to a meeting of the Business Committee may be included in the agenda for the next meeting of the Boards of ASX Clear and ASX Settlement provided that they have previously been circulated to members electronically following each meeting for comment.
- 6.10 Comments provided in Business Committee meetings will not be attributed to a specific member for any written minutes and reports prepared, including reports to the Boards of ASX Clear and ASX Settlement, unless a member consents to the member's comments being attributed in any particular instance.

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## **7 Business Committee Secretariat**

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- 7.1 ASX shall provide a secretariat service to the Business Committee, and will provide the facilities and services required to convene meetings of the Business Committee.
- 7.2 The secretariat will:
  - a. arrange the venue and circulate notices for meeting of the Business Committee;
  - b. prepare agendas, minutes and other documents for meetings of the Business Committee;
  - c. maintain the pages of the ASX website dedicated to the Business Committee; and
  - d. arrange the publication of meeting agendas, minutes and other relevant documents of the Business Committee.

April 2024