

CHARTER OF THE ASX BUSINESS COMMITTEE

The ASX Business Committee was convened by ASX Limited (ASX) under its Code of Practice in August 2013. In October 2016, ASX updated its Code of Practice (the ASX Cash Equities Clearing and Settlement Code of Practice) to set out its commitment to comply with the Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia (Regulatory Expectations), and its commitments to users in managing clearing and settlement infrastructure and services for the Australian cash equities market. 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.

This charter draws from the commitments made by ASX in the Code of Practice and the Regulatory Expectations. It sets out the role, membership and administrative matters for the effective functioning of the Business Committee.

Role of the Business Committee

The role of the Business Committee is to provide:

- 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;
- 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;
- 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
- 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.

Membership

The Business Committee will comprise representatives of clearing participants, settlement participants, alternative market operators, other relevant stakeholders and their associated industry organisations. ASX Clear and ASX Settlement will appoint members of the Business Committee.

Each Business Committee member is expected to:

- 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;
- represent the views and interests of its organisation or constituency, as the case may be, on matters being considered by the Business Committee; and
- share with the Business Committee appropriate and useful information relevant to the role of the Business Committee.

The objective is for the Business Committee to comprise executives with a deep understanding of clearing and settlement, for example, Chief Operating Officers. 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.

A member of the Business Committee may resign its membership by giving notice in writing to the Chair of the Business Committee.

Chair of the Business Committee

ASX shall appoint the Chair of the Business Committee.

The role of the Chair is to:

- convene, set the agenda for, and preside over meetings of the Business Committee;
- take a leadership role in facilitating discussion and forging a consensus among Business Committee members on matters being considered by the Business Committee;
- keep and approve the minutes of meetings of the Business Committee; and
- 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.

Meetings of the Business Committee

The Business Committee will meet at least four times a year.

The Chair may determine, in consultation with members of the Business Committee, that more than four meetings be held in a year.

The Chair may invite ASX management, or other organisations, to attend meetings of the Business Committee.

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.

Meeting agendas and associated papers will be circulated to members one week prior to the relevant meeting.

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.

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.

All meetings of the Business Committee are to be minuted. The minutes will be circulated to members electronically following each meeting for comment and approval to allow the minutes to be included in the agenda for the next meeting of the Boards of ASX Clear and ASX Settlement.

Any reports from the Business Committee to the Boards of ASX Clear and ASX Settlement will be prepared by the Chair and will be circulated to members electronically following each meeting for comment and approval to allow the reports to be included in the agenda for the next meeting of the Boards of ASX Clear and ASX Settlement.

Business Committee Secretariat

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.

The secretariat will:

- arrange the venue and circulate notices for meeting of the Business Committee;
- prepare agendas, minutes and other documents for meetings of the Business Committee;
- maintain the pages of the ASX website dedicated to the Business Committee; and
- arrange the publication of meeting agendas, minutes and other relevant documents of the Business Committee.

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