

ASX LIMITED BOARD POLICY AND GUIDELINE TO RELATIONSHIPS AFFECTING INDEPENDENT STATUS

Policy

The Board has adopted a policy that a majority of its directors must be independent, and in determining this, the Board should consider whether the director is free of any interest, position, affiliation or relationship that might materially influence - or could reasonably be perceived to materially influence - the independent exercise of the director's judgement and their capacity to act in the best interests of ASX Limited as a whole, rather than in the interests of an individual security holder or other party.

Examples of interests, positions, affiliations or other relationships that may raise issues about the independence of a director include if the director:

1. is, or has been, employed in an executive capacity by ASX Limited or any of its related entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
2. receives performance based remuneration (including options or performance rights) or participates in an employee incentive scheme;
3. is, or has been within the last three years, in a material business relationship (eg. as a supplier, professional adviser, consultant or customer) to ASX Limited or any of its related entities or is an officer of, or otherwise associated with, someone with such a relationship;
4. is, represents, or is otherwise affiliated with a substantial shareholder of ASX Limited;
5. has close personal ties with any person who falls within any of the categories described above; or
6. has been a director of the entity for such a period that their independence from Management and substantial holders may have been compromised.

Materiality Threshold

The Board employs a materiality threshold in judging whether customer, supplier, consultant or professional adviser relationships affect the independence of ASX directors.

A relationship is presumed immaterial when it generates less than 5% of group revenue, and presumed material when it generates more than 10% of group revenue during a 12-month period in the absence of evidence or convincing argument to the contrary. In considering such evidence or argument the Board takes into account the strategic value and other material but non-quantitative aspects of the relationship in question.

The threshold for the purpose of assessing the materiality of relationships between a non-executive director and ASX Limited (other than as a director) is set according to the significance of that relationship to the director in the context of their activities as a whole.

Directors' Interests

At each meeting of the Board, directors table their current outside interests. Where it is considered that a director has a material potential conflict, it is noted and where appropriate the relevant director absents him or herself for that specific item of business. That decision is minuted.

Tenure

The Board has not adopted a tenure policy.

The mere fact that a director has served on the Board for a substantial period of time does not mean that he or she has become too close to management to be considered independent. However, as part of its assessment of independence, the Board will regularly assess the independence of any director who has served as a director of ASX for more than 10 years to determine whether they have been a director for such a period that his or her independence has been lost. This assessment will involve, each year:

- a periodic review of the director's interests in line with existing ASX policy
- a Board discussion about the director's independence without the director present.

Review

This policy is reviewed annually by the Board.