

Charter of the Advisory Group on Corporate Governance

1 Purpose

- 1.1 ASX's purpose is to power a stronger economic future by enabling a fair and dynamic marketplace for all.
- 1.2 ASX has responsibility for developing, approving and issuing principles-based recommendations relating to the corporate governance practices of listed entities (**Principles**).
- 1.3 ASX does not seek to prescribe the corporate governance practices that a listed entity must adopt. Instead, the Principles apply on an 'if not, why not' basis. This recognises that the governance practices a listed entity chooses to adopt are fundamentally a matter for its board of directors.
- 1.4 The 'if not, why not' approach is reflected in the Listing Rules. The Listing Rules serve the interests of listed entities and investors, both of whom have a vital interest in maintaining the reputation and integrity of the ASX market and ensuring that it is internationally competitive and facilitates efficient capital raising. The 'if not, why not' approach is underpinned by the principle that a listed entity 'should disclose information about its corporate governance practices and explain any departure from generally accepted standards of good corporate governance.'¹

2 Role of the AGCG

- 2.1 The role of the Advisory Group on Corporate Governance (**AGCG**) is to consider developments in corporate governance relevant to entities listed on ASX and recommend to the board of ASX Limited (**ASX Board**) any changes to the Principles.
- 2.2 In fulfilling its role, the AGCG will seek to ensure that the Principles promote the following outcomes:
 - a. Have wide acceptance and support in the Australian listed market.
 - b. Be simple, concise, and promote governance practices that drive long-term shareholder value.
 - c. Not unduly deter entities from listing on ASX.
 - d. Avoid overlap with legal and other regulatory requirements.
 - e. Not be overly prescriptive.
 - f. Be consistent with the principles on which the Listing Rules are based.
 - g. Remain relevant and fit for purpose.
- 2.3 It is intended that there will be a 4-year renewal cycle for the Principles. The key features of this cycle are that:
 - a. Every 4 years, the AGCG will consider the case for a broader review of the Principles which will include the incorporation of proposed changes (if any) that have been identified and considered during the previous 4 years.
 - b. Changes made to the Principles prior to the end of each 4-year renewal cycle will ideally be kept to a minimum (i.e. 'must have' changes), unless major developments warrant an earlier broader review of the Principles.
 - c. Where the AGCG determines that any changes to the Principles are appropriate, it would recommend to the ASX Board that it undertakes a review, including a public consultation of any proposed changes.
- 2.4 If it is determined by ASX, having regard to any Recommendation (as defined in 7.6), that an update to the Principles is necessary, the AGCG would provide input on drafting to the Secretariat, oversee a public consultation process and, ultimately, deliver a Recommendation to the ASX Board.
- 2.5 Any changes to the Principles must be approved by the ASX Board.
- 2.6 Where a Recommendation is made to the ASX Board, and the ASX Board does not accept the Recommendation, a written explanation of that decision will be provided to the AGCG.
- 2.7 In considering matters and making Recommendations, the AGCG will have regard to ASX's obligations as the holder of an Australian market licence and the expectations set out in ASIC Regulatory Guide 172 *Financial markets: Domestic and overseas operators*.

¹ See section 'The principles on which the Listing Rules are based' in the [Introduction to the Listing Rules](#)

2.8 The AGCG will provide a clear justification for any recommended changes to the Principles.

3 Membership of the AGCG

3.1 The AGCG will be comprised of:

- a. No more than 10 members of an appropriately senior level.
- b. Members who between them have governance expertise relevant to listed companies, security holders and investors.
- c. Members with skills and experience that facilitate robust discussion of corporate governance that is representative of a broad range of listed market participants.
- d. A diverse and well-rounded group that have a good understanding of relevant industry sectors and large and small listed entities.
- e. Members that collectively have the broad range of skills and experience required to support its expert advisory role.

3.2 ASX, in consultation with the Chair, will determine the membership (including term of membership), and appoint and remove members of the AGCG. It is intended that ordinary terms of members will be three years, except where otherwise agreed to enable orderly succession. The maximum cumulative term will be nine years. ASX may also, in the limited circumstances set out in clause 4.7, remove a member without consultation with the Chair.

3.3 The Chair will periodically (and at least annually) review the membership of the AGCG, in consultation with ASX.

3.4 The AGCG Chair may make recommendations to the ASX Board in relation to the membership of the AGCG.

3.5 The ASX Group Executive Markets and Listings and the ASX Chief Compliance Officer will have a standing invitation to attend meetings and may participate in discussions but not vote on Recommendations.

3.6 The Chair may invite other parties to join meetings of the AGCG, including ASX management and directors, ASX subject matter experts and other industry experts.

3.7 Standing invitees attending AGCG meetings will receive AGCG papers, minutes of meetings and any reports provided by the AGCG to the ASX Board.

3.8 A member of the AGCG may resign their membership by giving notice in writing to the Chair (or to the ASX Board, in the case of the Chair).

4 Responsibilities of AGCG members

4.1 In their membership of the AGCG, members must act in the interest of the overall listed market. Members of the AGCG should endeavour to work as an effective team rather than as representatives of any body or group. Members should draw on their own experience and expertise to inform discussion and deliberations with a view to reaching a position that is in the best collective interests of entities listed on ASX, their security holders and investors in ASX-listed entity securities generally.

4.2 Each AGCG member is expected to:

- a. Be actively and constructively engaged in meetings of the AGCG in a manner that is consistent with its status as a leading advisory body on corporate governance.
- b. Share with the AGCG appropriate and useful information relevant to the expert advisory role of the AGCG.
- c. Act honestly and in good faith in the exercise of their role in the AGCG.

4.3 To ensure attendees of AGCG meetings reflect the senior industry practitioner level commensurate with the role of the AGCG, members will not be able to nominate a delegate or representative to attend AGCG meetings on their behalf if they are unable to attend themselves.

4.4 While participating in the AGCG, members and standing invitees may receive confidential information, although no party has an obligation to disclose any such information to the AGCG. Members and standing invitees of the AGCG and ASX must:

- a. Treat as confidential any materials, information, views, opinions, Recommendations, resolutions and minutes of meetings provided for or during meetings of the AGCG or otherwise for the purposes of the AGCG's operation, unless and until made public by ASX.
- b. Take care not to speak publicly about the AGCG, its meetings or its Recommendations (other than the Chair in accordance with clause 5.5), unless otherwise agreed with the Chair.
- c. Not use any confidential information acquired while participating in the AGCG for any other purpose than that for which it was provided.
- d. Be mindful of whether it is appropriate to attribute comments provided in AGCG meetings to a specific member, unless that member consents to the member's comments being attributed in any particular instance.

- 4.5 Each AGCG member must disclose to the AGCG any interests or relationships that the member considers could reasonably be considered to influence that member's decisions.
- 4.6 If a member of the AGCG proposes to provide information for discussion at a meeting in respect of which a member has an actual or a perceived or potential conflict, the Chair may determine that any members or standing invitees should be recused from that meeting in order to manage the conflict.
- 4.7 Where ASX considers that a member has failed to comply with their responsibilities under this Charter, the Board of ASX may determine to remove the member in accordance with clause 3.2.

5 Chair of the AGCG

- 5.1 The Chair of the AGCG will be appointed by the ASX Board.
- 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. The maximum cumulative term of the Chair will be nine years.
- 5.3 The Chair will be a member of the AGCG.
- 5.4 The Chair of the AGCG will be independent and must not hold or have held in the past three years an executive position with ASX or a position as a director of the ASX Board.
- 5.5 The role of the Chair is to:
 - a. Convene, set the agenda for, and attend and preside over meetings of the AGCG.
 - b. Take a leadership role in facilitating discussion and, where possible, identifying a consensus amongst AGCG members on matters being considered by the AGCG.
 - c. Report to the ASX Board on the AGCG's discussions and Recommendations.
 - d. Represent the AGCG in relation to media and other public engagement regarding meetings of the AGCG and its Recommendations in consultation with ASX.
- 5.6 The Chair will present the Recommendations of the AGCG to the meetings of the ASX Board as required. It is expected that the Chair would generally only present at board meetings that immediately follow meetings of the AGCG and would only do so where required to present Recommendations of the AGCG.

6 Secretariat

- 6.1 ASX will provide the secretariat to support the AGCG.
- 6.2 The secretariat will:
 - a. Ensure that AGCG members are kept informed of material governance developments and issues both in Australia and overseas.
 - b. Prepare papers for and in response to requests from the AGCG.
 - c. Have primary responsibility for the drafting of potential amendments to the Principles, with input from the AGCG as per Clause 2.4.
 - d. Support the efficient functioning of the AGCG, including with external communications and engagement with the broader market both during, and outside of, any public consultation process.

7 Meetings of the AGCG

- 7.1 The AGCG will meet at least two times per year, with one 'in-person' meeting. Meetings are likely to occur on a more frequent basis when changes to the Principles are being considered. The Chair will consult with the other members and ASX to determine an appropriate frequency of meetings to fulfill the AGCG's responsibilities.
- 7.2 ASX will provide the facilities for meetings. The meetings will generally be held at ASX offices, Sydney, with video conferencing facilities.
- 7.3 The Chair will set the agenda for meetings of the AGCG in consultation with the other members and ASX. ASX and any member of the AGCG may propose matters for consideration by the AGCG.
- 7.4 The Chair may request other members to prepare papers for consideration by the AGCG.
- 7.5 The Chair will endeavour to ensure that the agenda and presentation material or papers are provided to all members at least one week prior to each meeting.
- 7.6 Recommendations of the AGCG must represent the broad consensus of the AGCG members, as determined by the Chair (a **Recommendation**). For clarity, broad consensus is taken to mean a generally accepted opinion or decision. The Chair is

entitled to assume that a member who does not attend a meeting or who attends but does not express a view at a meeting is prepared to accept any decision made at the meeting.

- 7.7 A quorum for a meeting of the AGCG is a majority of its members (including the Chair).
- 7.8 Minutes of all meetings of the AGCG will be prepared by the Secretariat, for review by the members and approval by the Chair.
- 7.9 AGCG papers, minutes of meetings and any reports by the AGCG to the ASX Board will be made available to all members and standing invitees of the AGCG.
- 7.10 The Chair may issue a public communique summarising discussion following an AGCG meeting where that communique has received broad consensus for release from the AGCG members.
- 7.11 All materials, information, data, descriptions, views, opinions, Recommendations, resolutions, minutes of meetings provided for or during meetings of the AGCG or other specifications (together with any present or future intellectual property rights in them including but not limited to copyright, patents, trade secrets, inventions, domain names and product names, whether or not registered or capable of registration (**Intellectual Property Rights**)) provided by or on behalf of ASX to the AGCG or to any members of the AGCG in connection with the AGCG, are owned and will continue to be owned by ASX or its licensors.
- 7.12 Each AGCG member assigns to ASX all Intellectual Property Rights which are created by it in connection with the AGCG without the need for further assurance, including as an assignment of future property under section 197 of the Copyright Act 1968 (Cth) and in equity.

8 Amendments

- 8.1 Amendments to this Charter must be approved by the ASX Board.
- 8.2 This Charter will be reviewed by ASX, in consultation with the Chair, every four years, or more frequently as appropriate.

Change Control

Review of this document will be captured in the table below:

Author	Comment	Effective date