

# ASX Business Committee Membership Policy

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## 1 Background to the ASX Business Committee Membership Policy

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- 1.1 The ASX Business Committee Charter (**Charter**) provides that 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 them from time to time.
- 1.2 This ASX Business Committee Membership Policy represents the Membership Policy for the purpose of the Charter.
- 1.3 The Membership Policy draws from the commitments made by ASX Clear and ASX Settlement in the ASX Cash Equities Code of Practice (**Code of Practice**) as well as enforceable obligations of ASX Clear and ASX Settlement under the ASIC CS Services Rules, including for the Business Committee to provide a forum for broad industry input on the ongoing operation and development of cash equities clearing and settlement infrastructure and services.

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## 2 Eligibility for membership of the Business Committee

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- 2.1 The following entities are eligible for membership of the Business Committee.
  - a. clearing and settlement participants;
  - b. clearing participants that are not settlement participants (referred to as clearing only participants);
  - c. settlement participants that are not clearing participants (referred to as settlement only participants);
  - d. industry associations for clearing and settlement participants, clearing only participants or settlement only participants;
  - e. cash equities financial market issuers and investors and/or their industry associations;
  - f. cash equities listing and trading markets;
  - g. participants of cash equities trading markets;
  - h. central counterparties and settlement facilities;
  - i. share registries for cash equities financial market issuers;
  - j. technology service providers; and
  - k. other relevant stakeholders which connect to or use ASX's cash equities clearing and settlement infrastructure and services and/or their industry organisations.
- 2.2 For the purpose of paragraph 2.1 k, other relevant stakeholders include:
  - a. payments providers making and receiving payments in connection with the

- settlement of cash equities transactions on behalf of settlement participants;
- 2.3 Business Committee membership is optional and eligible entities may apply to participate in the Business Committee.
- 2.4 In accordance with the Charter:
- a. all clearing and settlement participants that apply to join the Business Committee; and
  - b. representatives of the entities referred to in paragraphs 2.1 b to k that apply to join the Business Committee, as determined by ASX Clear and ASX Settlement in accordance with this Membership Policy,
- will be appointed as members.
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### **3 Principles in appointing and removing members of the Business Committee**

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- 3.1 ASX Clear and ASX Settlement will consult with the Chair of the Business Committee when determining the appointment and removal of members.
- 3.2 In appointing and removing members of the Business Committee, ASX Clear and ASX Settlement will take into account the following principles:
- a. that membership of the Business Committee is to be representative of the user base of the clearing and settlement facilities operated by ASX Clear and ASX Settlement;
  - b. that membership of the Business Committee should facilitate proportionate representation of entities within each user group, which may require rotation of the entities appointed to the Business Committee from the user group;
  - c. that membership of the Business Committee is to allow for appropriate diversity of expertise and thought across users of the clearing and settlement facilities operated by ASX Clear and ASX Settlement;
  - d. that membership of the Business Committee will reflect a workable number of members, noting that all clearing and settlement participants that apply to join the Business Committee will be appointed as members;
  - e. that where multiple clearing and settlement participants, clearing only participants and/or settlement only participants are part of the same corporate group, only one participant entity within the corporate group may apply to participate in the Business Committee as member;
  - f. that membership of the Business Committee will reflect practical matters such as stakeholder changes (e.g. new participants) and new expressions of interest to join the Business Committee;
  - g. that each member should ordinarily be provided with a minimum two year appointment to the Business Committee (noting that a shorter period may apply where the entity becomes a member during the two year term generally applicable between nomination processes as set out in section 5);
  - h. that under the Charter, each member is expected to nominate an appropriate representative:
    - i. at executive or other senior management level at the member with a deep understanding of clearing and settlement;
    - ii. that has authority to speak on behalf of the member; and

- iii. that has the expertise to make a meaningful contribution to meetings of the Business Committee;
  - i. that under the Charter, each member and their nominated representative is expected to:
    - i. share with the Business Committee appropriate and useful information relevant to the role of the Business Committee;
    - ii. represent the views and interests of its organisation or constituency (as the case may be); and
    - iii. act honestly and in good faith and maintain appropriate confidentiality of information provided in connection with the Business Committee;
  - j. that consistent with the expectations set out in paragraphs 3.2 h and i, a member's nominated representative is expected to regularly attend meetings of the Business Committee and contribute to meeting discussions.
- 3.3 Where a member nominates an alternative representative to attend a meeting of the Business Committee in the place of their nominated representative, the expectations set out in this Membership Policy of:
- a. the member in relation to their nominated representative; or
  - b. the member's nominated representative,
- will also extend to that alternative nominated representative.
- 3.4 Where the principles in clause 3.2 are in competition (e.g. facilitating diverse representation across users while also maintaining a workable number of members), ASX Clear and ASX Settlement will determine how the relevant principles are to be balanced or preferred when determining the relevant member appointment or removal.

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#### **4 Application for membership and resignation of Business Committee members**

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- 4.1 Entities that are eligible for membership (as set out in section 2) may apply for membership by way of expressions of interest in writing addressed to the Chair of the Business Committee, emailed to the Business Committee Secretariat (BC.Secretariat@asx.com.au).
- 4.2 All eligible entities wishing to apply to join the Business Committee or to apply to renew their membership are expected to:
- a. make a commitment to membership for a term of two years (or such other period as remaining or notified under the applicable nomination process in section 5); and
  - b. send a single qualified representative that regularly attends meetings of the Business Committee during that term.
- 4.3 Applications for membership will normally be considered as part of the nomination process to constitute the entire Business Committee membership occurring generally every two years as set out in section 5, but can also be considered:
- a. as part of the interim review of Business Committee membership occurring every other year as set out in section 6; or
  - b. on an ad-hoc basis (including for any clearing and settlement participant admitted as a participant of ASX Clear and ASX Settlement during the two year term generally applicable between nomination processes).
- 4.4 Applications for membership will be determined having regard to the principles set out

in section 3.

- 4.5 A member of the Business Committee may resign its membership by giving notice in writing to the Chair of the Business Committee, emailed to the Business Committee Secretariat (BC.Secretariat@asx.com.au).

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## 5 Nomination process every two years to constitute entire Business Committee membership

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- 5.1 A nomination process to constitute the entire Business Committee membership will occur generally every two years (**nomination process**), with the first two year term under this nomination process being the period from December 2023 to December 2025. Entities may apply to join the Business Committee or existing members may apply to renew their memberships during this nomination process.
- 5.2 The nomination process does not involve an automatic vacating of existing Business Committee memberships, with any removal of existing members of the Business Committee under a nomination process to be determined by ASX Clear and ASX Settlement in accordance with this Membership Policy.
- 5.3 Appointments to the Business Committee (including reappointments of existing members) under a nomination process will be determined having regard to the membership of the Business Committee continuing to be representative of the users of ASX's cash equities clearing and settlement services and otherwise being in accordance with the principles set out in section 3.
- 5.4 An existing member of the Business Committee that fails to apply to renew its membership during the nomination process may be removed as a member of the Business Committee.

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## 6 Interim review of membership of the Business Committee between nomination processes

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- 6.1 In each calendar year that a nomination process is not occurring, the Business Committee Secretariat in consultation with the Chair of the Business Committee will conduct an interim review of:
- a. whether any changes have occurred in practice which should be reflected in the membership of the Business Committee so that it continues to be representative of the users of ASX's cash equities clearing and settlement services, such as any:
    - i. member resignations;
    - ii. new expressions of interest; or
    - iii. changes to any user group in the prior 12 months;
  - b. whether each member's nominated representative has attended meetings of the Business Committee in accordance with the principle set out in paragraph 3.2 j; and
  - c. any other matter they consider appropriate for review in connection with membership of the Business Committee being in accordance with the principles set out in section 3,
- and may recommend to ASX Clear and ASX Settlement that changes be made to the membership of the Business Committee as a result of such review.
- 6.2 The interim review will generally occur during the last calendar quarter of each year

that a nomination process is not occurring (following the third Business Committee meeting in that year).

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## **7 Notification of changes to membership of the Business Committee**

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- 7.1 Any changes to the membership of the Business Committee, including as part of a new application or resignation as set out in section 4, a nomination process as set out in section 5, or an interim review as set out in section 6, will be:
- a. communicated to the impacted member in writing; and
  - b. advised to Business Committee members generally at the next Business Committee meeting following that change.