

# ASX CHES Replacement Technical Committee – Charter

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## 1. Purpose

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- 1.1. The CHES Replacement Technical Committee is an industry forum for:
  - 1.1.1. ASX to obtain input from impacted stakeholders to inform ASX Management and the Boards of ASX Clear and ASX Settlement in relation to its decision making and help solve issues in the replacement of ASX’s Clearing House Electronic Sub-register System (CHES)
  - 1.1.2. ASX to communicate and provide visibility to, and seek expert views and input from, impacted stakeholders on the safe and successful delivery of CHES replacement
  - 1.1.3. Impacted stakeholders to obtain input that informs their own decision making
- 1.2. The CHES Replacement Technical Committee is a sub-committee of the Business Committee.

## 2. Roles of the CHES Replacement Technical Committee

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- 2.1 The CHES Replacement Technical Committee will:
  - a. Provide a forum for industry engagement to review, debate and provide input in relation to project planning, design assumptions and scope (noting this does not preclude formal industry consultation where relevant), and industry benefits
  - b. Provide ASX and members with an understanding of the practical effects on impacted stakeholders of any changes to industry process, options and sequencing of readiness activities
  - c. Provide members with an understanding of the key project risks, issues, constraints and diverse industry demands
  - d. Receive timely communication and reporting of project status including tracking to project milestones, stakeholder participation in readiness activities, progress statistics and assurance activities
  - e. Consider the implementation approach, including the risks and benefits of various transition options to appropriately manage industry risks.

## 3. Membership

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- 3.1 The membership of the CHES Replacement Technical Committee is intended to be representative of impacted stakeholders (those who have to undertake readiness activities for a successful go-live).
  - 3.2 Members of the CHES Replacement Technical Committee will include:
    - a. The CHES Replacement Technical Committee Chair
    - b. The Business Committee Chair
    - c. One nominated representative per Business Committee member (other than Business Committee members representing industry associations); attendance of representatives of Business Committee
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industry association members at the CHES Replacement Technical Committee is addressed in clause 3.5

d. Third party software vendors

Note in relation to clauses 3.2c and 3.2d above participation is optional. ASX management (including representatives from the CHES replacement project team such as subject matter specialists, business analysts and legal counsel) will attend as appropriate.

- 3.3 ASX, in consultation with the Business Committee, will appoint members of the CHES Replacement Technical Committee.
- 3.4 The nominated members should be actively involved in the CHES replacement project, and have the appropriate skills and business responsibilities to actively contribute to achieving the purposes of the CHES Replacement Technical Committee. Members are expected to have project expertise to provide meaningful contribution to and discussion on the project planning, scope, risks and issues, with deep operational and technical understanding of cash equities clearing and settlement to actively contribute to achieving the purposes of the CHES Replacement Technical Committee.
- 3.5 ASX, in consultation with the Business Committee, will appoint observers representing Business Committee industry association members. ASIC and RBA will also attend as observers.
- 3.6 The CHES Replacement Technical Committee may invite other parties to join meetings of the CHES Replacement Technical Committee to discuss specific matters, as required by project delivery phases and topics. This decision shall be made on the basis of broad consensus of members of the CHES Replacement Technical Committee.
- 3.7 If a member or observer is unable to attend a meeting, the Chair should be advised prior to the meeting. Members and observers may nominate a suitably qualified alternate to attend a meeting.
- 3.8 Members and observers will not be remunerated for participating in the CHES Replacement Technical Committee.

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#### **4. Responsibilities of CHES Replacement Technical Committee members**

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- 4.1 Each member of the CHES Replacement Technical Committee is expected to actively contribute to the work of the CHES Replacement Technical Committee including being available to participate in meetings of the CHES Replacement Technical Committee.
- 4.2 Each member must:
- a. Be actively and constructively engaged in meetings of the CHES Replacement Technical Committee and the delivery of the CHES replacement project in a manner that appropriately balances efficiency and safety, whilst meeting industry and stakeholder expectations
  - b. Share with the CHES Replacement Technical Committee appropriate and useful information relevant to the safe and successful delivery of CHES replacement
  - c. Act honestly and in good faith, and exercise a reasonable degree of care and diligence, in the exercise of their role
  - d. Treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the CHES Replacement Technical Committee or otherwise for the purposes of the CHES Replacement Technical Committee's operation, until made public by ASX, and not use them for purposes other than for the exercise of its responsibilities as member of the CHES Replacement Technical Committee (unless expressly permitted by ASX)
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- e. This Charter does not prohibit a member from seeking input, in confidence, from within their organisation or from the stakeholder cohort they form part of, to exercise their responsibilities as a member of the CHES Replacement Technical Committee.
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## 5. Responsibilities of Business Committee members appointing representatives to the Technical Committee

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- 5.1 Each Business Committee member agrees to, and permits the representative nominated by it, to devote the necessary resources, time and expertise to the activities of the CHES Replacement Technical Committee as may be required from time to time:
- So as to ensure that the Business Committee member, and the representative nominated by the Business Committee member, comply with their respective obligations and responsibilities under this Charter
  - Which are necessary to enable the purposes of the CHES Replacement Technical Committee to be realised and met.
- 5.2 It is understood that each representative of a Business Committee member will bring the perspective of the member that nominated them or, in the case of a representative of ASX, ASX's own interests, to bear on CHES Replacement Technical Committee discussions in addition to their broader industry perspective. A representative of a Business Committee member must disclose to the CHES Replacement Technical Committee any interests or relationships (extraneous or additional to their organisation's interests and relationships) that the representative considers could reasonably be considered to have the capacity to influence that representative's decisions. This disclosure must include details of the nature and extent of the relevant interest or relationship and be given at a meeting as soon as practicable after the representative becomes aware of the interest or relationship.
- 5.3 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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## 6. Obligations of ASX and Business Committee

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- 6.1 ASX and the Business Committee will:
- a. Consider in good faith the views of the CHES Replacement Technical Committee and its members
  - b. Treat as confidential any materials, information, views, opinions, recommendations, resolutions and minutes of meetings provided for or during meetings of the CHES Replacement Technical Committee or otherwise for the purposes of the CHES Replacement Technical Committee's operation, until made public by ASX.
- 6.2 Comments provided in CHES Replacement Technical Committee meetings will not be attributed to a specific member for any written reports prepared, including reports to the Business Committee, unless a member consents to the member's comments being attributed in any particular instance.
- 6.3 ASX recognises there may be specific concerns that Business Committee members do not wish to raise in a group forum. ASX continues to welcome bilateral discussions.
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## 7. Chair of the CHES Replacement Technical Committee

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- 7.1 ASX shall appoint the Chair of the CHES Replacement Technical Committee.
- 7.2 The role of the Chair is to:
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- a. Convene, set the agenda for, and preside over meetings of the CHES Replacement Technical Committee
  - b. Take a leadership role in facilitating discussion and, where possible, identifying a consensus amongst CHES Replacement Technical Committee members on matters being considered by the CHES Replacement Technical Committee
  - c. Report to the Business Committee on the CHES Replacement Technical Committee's discussions
  - d. Provide copies of the minutes of the CHES Replacement Technical Committee to the subsequent meeting of the Business Committee and the boards of ASX Clear Pty Limited and ASX Settlement Pty Limited.

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## **8. Meetings of the CHES Replacement Technical Committee**

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- 8.1 The CHES Replacement Technical Committee will initially meet monthly or as scheduled in alignment with the CHES replacement project plan following consultation with members.
  - 8.2 Agendas may be tailored to cover specific business areas of the CHES replacement system, with discussions requiring a sub-set of members (for example, a specific meeting to discuss share registry function). Members are able to propose agenda topics through the CHES Replacement Technical Committee Chair. The Chair will endeavour to provide the agenda and presentation material or papers to all members at least one week prior to each meeting.
  - 8.3 ASX will provide the facilities to convene meetings, and will provide the Secretariat to support the CHES Replacement Technical Committee. The meetings will generally be held at ASX Offices, Sydney, with video conferencing facilities.
  - 8.4 A quorum for a meeting of the CHES Replacement Technical Committee is a majority of its members and the Chair.
  - 8.5 Minutes of all meetings of the CHES Replacement Technical Committee will be prepared by the Chair and Secretariat and circulated to members for comment and approval.
  - 8.6 The minutes should record the nature of the discussions, as well as identifying any clear design principles and priorities identified and agreed by the CHES Replacement Technical Committee. This includes indicating if these views are held by all members or, if not, the balance of different views amongst members (without attribution to specific members except with consent).
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### Change Control

This document will be reviewed annually and captured in the table below:

Author	Comment	Effective date
ASX	Draft for discussion with Business Committee members	25 January 2023
ASX	Updates to address comments from Business Committee members on 30 January 2023	15 February 2023