Independent assurance report on ASX Settlement Pty Limited and ASX Clear Pty Limited (ASX)'s compliance with the Regulatory Expectations for Conduct in Operating Cash Equity Clearing and Settlement Services in Australia (the "Regulatory Expectations") as represented in ASX's Compliance Measures

29 October 2025

Dear Directors

Opinion

We have been engaged by ASX Limited on its own behalf and on behalf of its subsidiaries ASX Settlement Pty Limited and ASX Clear Pty Limited (collectively referred to as the Client Entities, or ASX) to undertake a reasonable assurance engagement in relation to ASX's compliance, in all material respects, for the year ended 30 June 2025, with:

- the Regulatory Expectations for Conduct in Operating Cash Equity Clearing and Settlement Services in Australia issued by the Council of Financial Regulators (CFR) in October 2016 and revised in September 2017 (the Regulatory Expectations) as evaluated against the Compliance Measures listed within Appendix A.

In our opinion, ASX has complied, in all material respects, with the Regulatory Expectations as evaluated against the Compliance Measures for the year ended 30 June 2025.

Basis for opinion

We conducted our engagement with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter – scope of our engagement

In respect of our reasonable assurance engagement, the Regulatory Expectations provides that an "[audit] generally would not be required to form a judgement on the more subjective matters contained in the Regulatory Expectations, such as the promptness and efficiency of investments or the efficiency of prices. Rather, such an audit should develop an evidence base of relevant actions taken by ASX, and in particular provide assurance that it has policies and procedures in place aligned with the Regulatory Expectations and that it has conducted its operations in accordance with these policies and procedures." Accordingly, we have not provided assurance on ASX's compliance with the more subjective matters contained in the Regulatory Expectations.

Examples of these subjective matters and other regulatory expectations that are outside the scope of our opinion include, but are not limited to:

- The promptness and efficiency of ASX's investments or prices.
- The design and operating effectiveness of ASX's technology, governance and delivery processes associated with the CHESS replacement project. The CHESS replacement project has been subject to focus by the regulators, and there are ongoing investigations being performed by the regulator over possible breaches in ASX's legal obligations. Our engagement has only considered governance processes that enable user input on the setting of investment strategy and not these broader technology, governance and delivery processes.
- Whether ASX has complied with its obligations other than the Regulatory Expectations, as published by the Council of Financial Regulators in 2017, for Conduct in Operating Cash Equity Clearing and Settlement Services in Australia.

Our opinion is not qualified in respect of these matters.

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Description and Results of the reasonable assurance procedures

Appendix A to this report includes a description of the Compliance Measures, the reasonable assurance procedures performed and detailed results from those procedures.

Responsibilities of the Directors and management of ASX

The ASX Board has delegated matters to management, subject to financial and other limits. Our assurance engagement has been conducted on the basis that the Directors of ASX acknowledge and understand that they have ultimate responsibility. The Directors and management of ASX are responsible for:

a) Identification of the Regulatory Expectations and the risks that threaten the Regulatory Expectations identified above being met.

b) The compliance activity undertaken to meet the Regulatory Expectations.

c) Identification and implementation of controls which will mitigate those risks that prevent the Regulatory Expectations being met and monitoring ongoing compliance.

Our independence and quality management

We have complied with the ethical requirements, of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on *Quality Management ASQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion on ASX's compliance with the Regulatory Expectations, in all material respects, as evaluated against the Compliance Measures for the year ended 30 June 2025. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether ASX has complied, in all material respects, with the Regulatory Expectations, as evaluated against the Compliance Measures for the year ended 30 June 2025.

An assurance engagement to report on ASX's compliance with the Regulatory Expectations involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Regulatory Expectations. The procedures selected depend on our judgement, including the identification and assessment of the risks of material non-compliance with the Regulatory Expectations, as evaluated against the Compliance Measures.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected. Additionally, there is a certain level of subjectivity within the subject matter as represented in the Regulatory Expectations, which we have addressed under "Other matter – scope of our engagement" in this opinion.

A reasonable assurance engagement throughout the year ended 30 June 2025 does not provide assurance on whether compliance with the Regulatory Expectations will continue in the future.

Matters relating to the electronic presentation

This assurance report relates to the compliance of ASX with the Regulatory Expectations as represented in ASX's Compliance Measures for the year ended 30 June 2025 (compliance subject matter). The Client Entities are responsible for their website and its integrity, and we do not accept responsibility for any changes that may have occurred to the compliance subject matter information or ASX's Compliance Measures since they were presented on the Client Entities' website as at the date of this report. We have not been engaged to report on the integrity of this website. The assurance report refers only to ASX's Compliance Measures applicable as at the date of this report. It does not provide an opinion on any other information which may have been hyperlinked to/from or to/from the Client Entities' website.

Use of report

Anyone accessing this report is taken to have acknowledged and agreed to the following:

This report has been prepared for use by the Directors, officers and employees of the Client Entities for the purpose of assisting ASX in addressing the Regulatory Expectations.

This report was prepared on the instructions of our client, ASX, in connection with certain of ASX's compliance activities. We have no knowledge or understanding of the circumstances or position of any other party. Our work was not planned or conducted having regard to the information any party may require regarding ASX's compliance activities, or the ways in which they may seek to make use of our report or the accompanying description of procedures and Results and we therefore make no representation concerning the appropriateness of this report or the accompanying description of procedures and Results for them. Except to the extent set out above, we performed our work and this report is prepared in accordance with the purpose and terms of our engagement by ASX and we accept no responsibility or liability to anyone else in connection with it. Anyone else who chooses to use or rely on our reports for their own individual purposes does so at their own risk.

This disclaimer applies:

- to the maximum extent permitted by the law and, without limitation, to liability arising in negligence or under statute
- even if we consent to anyone other than ASX receiving or using this report to the accompanying description of procedures and results.

PricewaterhouseCoopers

Sam Hinchliffe
Partner

Sydney
29 October 2025

Appendix A: Description of compliance measures and results of the reasonable assurance procedures

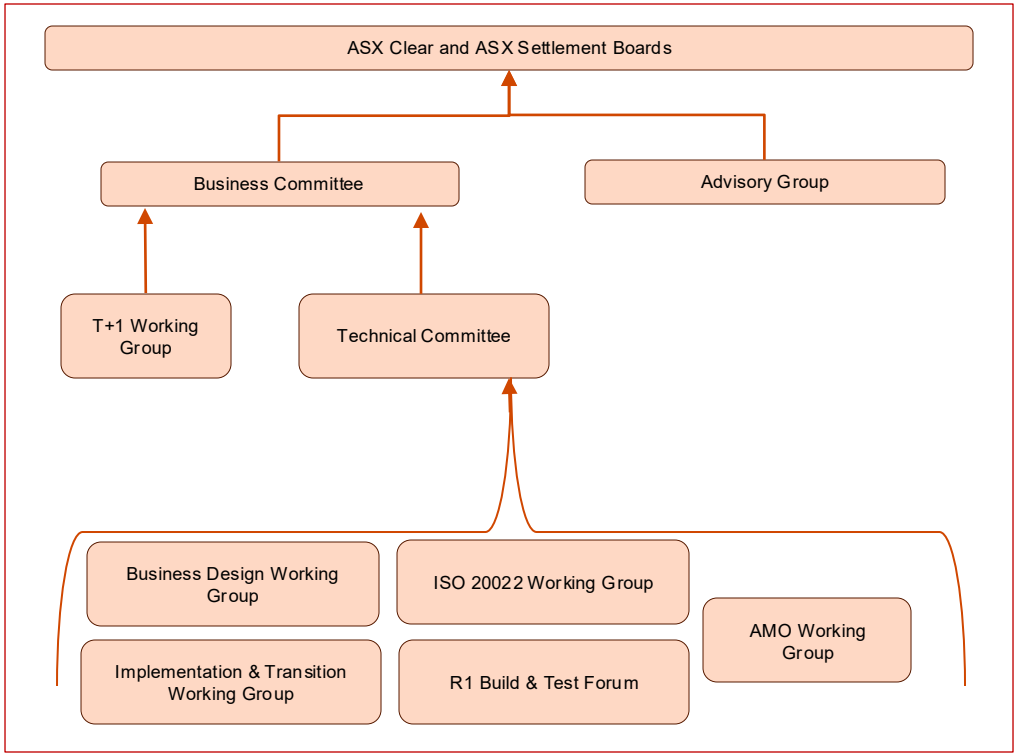
Background

The following Appendix provides further information to the users of our report regarding the nature of the procedures we performed and the results of our testing. This information is not and is not intended to form part of our overall assurance opinion and accordingly no assurance is expressed over the statements made.

The key governance forums and stakeholder input groups that form part of ASX's framework for compliance with the Regulatory Expectations, and that are referenced throughout our report are summarized to the right.

We have examined the operations of these bodies as part of our testing procedures to the extent that they form part of ASX's compliance framework and arrangements to ensure they have complied with the Regulatory Expectations.

- The Advisory Group provides input to the ASX Clear and ASX Settlement boards and is comprised of a diverse group of senior industry practitioners.
- The Business Committee provides input to the ASX Clear and ASX Settlement boards and is comprised of representatives of clearing participants, settlement participants, approved market operators, other relevant stakeholders and their associated industry organisations.
- The T+1 Working Group carries out focused analysis on settlement cycle compression in order to provide insights to the Business Committee and is comprised of volunteers from the Business Committee.
- The Technical Committee is a sub-committee of the Business Committee and provides input to the Business Committee on a range of matters in relation to the CHESS replacement project.
- There are four Working Groups and one Forum that carry out focused analysis on aspects of the CHESS replacement project and report to the Technical Committee on these matters.



Appendix A: Description and results of the reasonable assurance procedures

1. User input into governance

Regulatory Expectation:

a) ASX should make an explicit public commitment to investing promptly and efficiently in the design, operation and development of the core CS infrastructure for the Australian cash equity market, including the Clearing House Electronic Sub-register System (CHESS) and any future replacement system. This commitment should be supported by governance processes that enable users to provide input on the setting of the investment strategy. Investments should ensure that, to the extent reasonably practicable, the performance, resilience, security and functionality of the core CS infrastructure meet the needs of users, recognising the diversity and differing needs of users. At a minimum, the core CS infrastructure should accommodate internationally accepted communication procedures and standards.

b) ASX should ensure that the membership of its user governance arrangements is representative of the user base of its CS services, and that members are able to have a strong input into the agenda and format of meetings or other user governance mechanisms and the setting of priorities.

	Compliance Measures	Procedures and Results
1	ASX's Code of Practice (2024) makes a public commitment to investing promptly and efficiently in the design, operating and development of core CS infrastructure.	We have examined the Code of Practice and noted that it includes the following statement: • "ASX will invest in the ongoing operation and development of the core cash equities clearing and settlement infrastructure promptly and efficiently. Such investments will seek to meet the needs of users, recognising the diversity and differing needs of users". • "ASX recognises the importance of engagement on the design and functionality of the infrastructure to ensure it continues to meet the needs of its users and the market and is consistent with the relevant international best practice". • "ASX will consult the Advisory Group on key strategic issues in the provision of cash equity clearing and settlement services and associated infrastructure." • "ASX will consult the Business Committee on its investment decisions in relation to the design, operation and development of new cash equities clearing and settlement infrastructure and services, including the development of a transition and implementation plan for new infrastructure".
2	The Business Committee Charter (2025) is designed to enable users to provide input on the setting of investment strategy for cash equities clearing and settlement	We have examined the Business Committee Charter and noted that it sets out the role, membership, responsibilities and administrative matters for the effective functioning of the Business Committee. The Charter states 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 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" 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."

	Compliance Measures	Procedures and Results
3	The Business Committee: • Provides opportunities for the Business Committee members to provide input to agendas and minutes • Was consulted on ASX's investment decisions in relation to the new CHESS Replacement, including the development of a transition and implementation plan for new infrastructure, in accordance with the Code of Practice.	We have examined the Business Committee agendas and minutes for the year ended 30 June 2025 as published on ASX's website. We noted that Business Committee meeting agendas and minutes had been shared with Business Committee members ahead of the meetings to provide opportunity for input, and the Business Committee meeting minutes indicated that members were provided the opportunity to raise comments. Our testing also found that the Business Committee papers and agendas were circulated in a timely manner in advance of each meeting, in accordance with the Business Committee Charter. In addition, we noted that the Business Committee was consulted during the year on key investment decisions and strategic issues, including: The ongoing progress of the CHESS Replacement project covering Release 1 and 2 phases, updates on the T+1 Settlement initiative, adjustments and consultations related to the Pricing Policy, enhanced measures for fraud prevention, and discussions within the Securities Lending and Share Sale Fraud Working Groups. While discussions of all these issues did not necessarily take place during the Business Committee meetings, they were presented within various Working Groups reporting to the Technical Committee. The Technical Committee would then present relevant matters to the Business Committee for formal consideration and subsequent recommendations. Separately from these Working Groups, the T+1 Working Group was engaged throughout the year to undertake focused analysis and insights pertaining to settlement cycle compression. This Working Group provided direct reports to the Business Committee based on their deliberations. ASX carried out consultations with industry regarding the transition and implementation plans for CHESS Replacement during FY25, maintaining alignment with their commitments under the Code of Practice. *Observation:* *We noted an observation with regards to the timeliness of the distribution of Business Committee meeting minutes to members. During the year, minutes were sent to members between 29 – 54 days after meetings took place. The Business Committee Charter does not specify a timeframe for distribution of minutes, however, a delay in distributing meeting minutes limits the effectiveness of the attendees' review of the minutes. This could lead to minutes not being complete or accurate.*
4	Information is transferred across the governance chain in a consistent and timely manner	We have evaluated key agenda items across the governance chain (CS Boards, Technology Committee, Technical Committee and Business Committee) between FY24 - FY25. Our testing of the consistency of the information transfer and sentiments found that key CHESS Replacement topics were appropriately cascaded from CS Boards, as well as the ASX internal Technology Committee and Technical Committee to the Business Committee, with timely and detailed coverage. Messaging was consistent year-on-year between FY24 and FY25 on core themes and decisions, and the content of agenda papers, executive summaries and minutes were internally aligned with no material variances. The overall tone of FY25 communications was predominantly neutral, with caution noted where project risks or "amber" statuses were discussed, and this sentiment matched the underlying evidence.
5	The Technical Committee provides opportunities for members to provide input and ask questions.	We have examined the Technical Committee agendas and minutes on a sample basis for the year ended 30 June 2025 as published on ASX's website for evidence of opportunities for members to provide input and ask questions. We have inspected a sample of Technical Committee meeting minutes which indicated that matters relating to CHESS replacement were discussed, and members were able to ask questions and provide input. The agendas and associated presentation materials were shared prior to each meeting. Follow up actions from meetings are circulated and draft meeting minutes are formally signed off by members and the Technical Committee Chair at the subsequent meeting, allowing for additional member input if required. There are also a range of other Working Groups set up to support various aspects of CHESS Replacement, which serve as key forums for ASX to engage with Stakeholders, and report up to the Technical Committee.

	Compliance Measures	Procedures and Results
6	The Business Committee's composition and membership processes are representative of ASX's CS services user base.	We have examined the composition of the Business Committee. The Business Committee is made up of clearing and settlement participants, independent industry associations representing clearing and settlement participants and custodians, market operators, and registry providers, which is representative of its broad user base. During the year, ASX published a new Business Committee membership policy, which was shared with the Business Committee in the 18 September 2024 meeting. This policy provided the framework for adding, removing or replacing members of the Business Committee, as well as supporting ASX Clear and ASX Settlement decisions on the constitution of the membership of the Business Committee. It also provided the basis for a review of the Business Committee membership, which was expected to occur within Q4 of 2025. *Observation:* *Whilst the membership of the Business Committee ensures that a broad range of users are represented, the large number of attendees limits the ability for members to actively contribute to meetings and ask questions, and consequently, this can limit the effectiveness of the Business Committee as a mechanism for user input to governance. We noted, however, that there are other more effective mechanisms for user input to governance, for example, the Technical Committee, various working groups and one on one meetings with the Business Committee Chair.*
7	The Independent Chair of the Business Committee maintains processes for: • Receiving input from members about agenda items; • Providing opportunities for input from members during the Business Committee meetings; and, • Interactions with members outside of formal meetings	We performed inquiries with the Chair of the Business Committee. The Chair noted that prior to each meeting, Business Committee members are invited via email to provide input to the agendas, which we also observed in our inspection of the emails sent to Business Committee members. The Chair noted there had been a number of items submitted by members for input into the agenda throughout the year and there was ample time set aside in each meeting for comments and queries from members. This was also evidenced through our inspection of the meeting agendas and minutes. The Chair explained that he convenes targeted one-on-one meetings by topic and participant to surface issues and gather candid input. He emphasised his independence from ASX, which he uses to facilitate transparent discussions; insights from these interactions are used in agenda setting and, where relevant, reflected in papers/minutes.
8	ASX maintains documented processes and controls to compile, review, approve and circulate Business Committee agendas and papers in a timely and accurate manner.	We conducted a walkthrough with relevant stakeholders to obtain an understanding of the controls and processes in place with regards to the Business Committee. We noted that management draft the agenda for the Business Committee meetings following a documented process, which includes seeking input from various ASX executives and management team members, the Business Committee Chair and Business Committee members. We inspected the process document as well as evidence to support that the process had been followed for a sample of Business Committee meetings. This included internal ASX emails seeking input from executives; and emails to the Business Committee as noted in procedure 1.7 above.

	Compliance Measures	Procedures and Results
9	The Advisory Group Charter: • Defines the Advisory Group's role to support user input into governance; and, • Provides appropriate confidentiality arrangements consistent with the Code of Practice.	We inspected the Advisory Group Charter which defines the role of the Advisory Group as "a strategic stakeholder advisory group to provide input into ASX's cash equities clearing and settlement governance framework" and "provides for appropriate confidentiality arrangements in accordance with ASX's commitment in the Code of Practice".
10	ASX consults the Advisory Group on key strategic issues in accordance with the Code of Practice.	We inspected the publicly available Communiques of the Advisory Group to assess whether they had been appropriately consulted by ASX. We noted that the Advisory Group was consulted during the year ended 30 June 2025 on key strategic issues relating to the CHESS replacement project, including: • Overall status of the CHESS replacement project; • The development of the assurance program for the delivery phase of the CHESS replacement project; • The proposed implementation approach and an indicative project delivery timeline; • ASX's approach to public consultations with industry on the CHESS replacement project; • The operating model for the CHESS replacement project; • T+1 Settlement; • The CHESS Replacement Partnership Program; and • Key industry engagement activities expected in 2025.
11	The current core CS infrastructure accommodates internationally accepted communication procedures and standards; and, The CHESS Replacement design contemplates equivalent internationally accepted procedures and standards for communication.	We examined ASX's technical documentation relating to existing CHESS messages to assess whether the current core CS infrastructure currently accommodates internationally accepted communication procedures and standards. We also examined papers tabled at the Technical Committee and Business Committee, as well as ASX's public consultation papers, to assess whether the proposed design for the CHESS replacement project also contemplates equivalent procedures and standards for communication. The current CHESS interface was designed in contemplation of generally accepted communication standards in finance (e.g., AS2805/ISO 8583) and remains aligned to those message structures. From our inspection of FY25 Technical Committee and Business Committee papers, minutes and related publications, we observed that the CHESS Replacement program references the use of internationally accepted standards and standardised interfaces (including ISO 20022 and FIX), and that an ISO Design Working Group and industry consultation process are in place to develop and share specifications. Interoperability and testing are also described in the materials. We did not assess or endorse the technical design; our work was limited to noting these references in the documents reviewed.

Regulatory Expectation:

c) ASX should demonstrate that it has had regard to the views of members in setting the terms of reference for the external audits of its governance, pricing and access arrangements carried out in accordance with the Regulatory Expectations. This may take the form of members' non objection of the proposed terms of reference. These terms of reference may change following any review of the Regulatory Expectations.

	Compliance Measures	Procedures and Results
1	The Business Committee tables the draft engagement letter for the Regulatory Expectations audit for member comment	Examined the Business Committee meeting minutes for evidence that the draft engagement letter for the Regulatory Expectations Audit was tabled for comment. We noted that the draft engagement letter for the FY25 annual independent review over ASX's governance, pricing and access arrangements as benchmarked against the Regulatory Expectations was tabled for comment with the Business Committee members in the June 2025 Business Committee meeting.

Regulatory Expectation:

d) ASX should maintain accountability arrangements that provide for regular public attestations as to the effectiveness of its interactions with users. For example, the following arrangements would be appropriate:

i) ASX's user governance mechanisms operate on a 'comply or explain' basis; that is, the relevant Board would take actions in accordance with recommendations from the user governance mechanisms, or else explain why such actions had not been taken.

ii) ASX report, on at least an annual basis, the service developments and investment projects that it has progressed and how it has taken into consideration the views of users.

	Compliance Measures	Procedures and Results
1	The Boards of ASX Clear and ASX Settlement respond to Business Committee recommendations on a "comply or explain" basis	For any recommendations put forth by the Business Committee during the year, we assessed whether the Boards of ASX Clear and ASX Settlement responded on a "comply or explain" basis through inspection of Business Committee meeting minutes. The Business Committee Charter states that "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 Business Committee made one formal recommendation to the ASX Clear and ASX Settlement Boards at the meeting in June 2025 in relation to the optional or mandatory nature of functionality for CHESS Release 2.

	Compliance Measures	Procedures and Results
2	The Boards of ASX Clear and ASX Settlement respond to Advisory Group recommendations on a “comply or explain” basis	For any recommendations put forth by the Advisory Group during the year, we assessed whether the Boards of ASX Clear and ASX Settlement responded on a "comply or explain" basis through inspection of Advisory Group Communiques. The Advisory Group Charter states that the Advisory Group will "Where appropriate make recommendations to the Boards of ASX Clear and ASX Settlement on such strategic matters related to cash equities clearing and settlement services and associated infrastructure. Recommendations must represent the broad consensus of the Advisory Group members, as determined by the Chair of the Advisory Group". The Advisory Group made the following formal recommendation during the year ended 30 June 2025 to the ASX Clear and ASX Settlement Boards: • ASX should keep an eye on international developments related to T+1 and continue to engage with industry on this matter. TheAdvisory Group also requested ASX to provide the AG further analysis on the costs associated of not implementing T+1 in Australia sooner, including analysis relating to industry funding costs associated with capital and liquidity requirements. • CS Boards support the project leadership in providing transparent and regular reporting on these matters through the relevantstakeholder forums. • ASX notify the market of the specific go-live date no less than 12 months before the determined go-live date • CS Boards should not approve the Pricing Policy until ASX responds to the consultation feedback and explains how it intends to deal with the Advisory Group and stakeholders’ concerns. We noted that the ASX Clear and ASX Settlement boards took on the recommendations as follows: • T+1: ASX continued active engagement via the T+1 Working Group and with key stakeholders, and provided further analysis/updates during FY25 (including closure of the capital/margin analysis action and ongoing work via the Participant Risk Consultative Committee). No change to the position that any move to T+1 would follow CHESS implementation. • Project leadership: Boards supported project leadership; ASX held multiple stakeholder forums and provided regular transparent reporting to the Advisory Group and Business Committee during FY25. • 12-month notification: While no specific go-live date was set in FY25, ASX confirmed in a market announcement (26 November 2024) that they are targeting the implementation of Release 2 implementation in 2029. Consistent with the Advisory Group recommendation, once a specific date is determined we would expect market notification at least 12 months prior (i.e., when the schedule is firmed, a notification in FY27/28 for a 2029 implementation). • Pricing Policy: After ASX’s consultation process and response (including the 6 March 2025 education session and May 2025 consultation response), the CS Boards approved the CS Services Pricing Policy for commencement on 1 July 2025 (FY26).

Compliance Measures		Procedures and Results
3	ASX publishes public reports on cash equity clearing and settlement service developments	We inspected ASX's Annual Report on Cash Equity Clearing and Settlement Services Developments, dated 18 September 2024, as well as ASX's CHESS Public Roadmap Update Report. The Cash Equity Clearing and Settlement Service Developments Annual Report provided an overview of the ongoing CHESS replacement project, as well as an update on the current CHESS Roadmap to the core cash equity CS services including the introduction of the electronic delivery option for CHESS Holding Statements, Trade Acceptance Service enhancements, and future planned enhancements, with a particular focus on T+1 settlement. ASX highlighted the stakeholder engagement undertaken and emphasised that the proposed approach is informed by input from the Technical Committee, Business Committee and Advisory Group. In addition, the update highlighted the consultation papers released regarding the Partnership Program Development Pool, as well as both Release 1 (Clearing) and Release 2 (Settlement and Subregister). An outlook was provided for upcoming plans including Release 1 readiness activities, Release 2 project timeline, and further stakeholder engagement. On 30 July 2024, ASX released the ASX CHESS Public Roadmap Update Report, providing updates on the ongoing program of work to support and maintain CHESS until the implementation of CHESS replacement. In addition, the report provided updates on ASX's published industry whitepaper exploring strategic considerations for a potential transition to T+1, following on from the establishment of the T+1 Working Group. ASX sought feedback on the matter through engaging the industry through forums, conferences, and one-on-one discussions to address key considerations and gather insights. Despite an overall preference established to adopt a T+1 settlement cycle to align with global standards, there is caution against implementing it simultaneously while replacing CHESS.

Regulatory Expectation:

e) ASX should formally commit to retaining a Board structure for ASX Clear and ASX Settlement that comprises a minimum of 50 per cent of non-executive directors that are also independent of ASX Limited, and where a subset of these independent directors can form a quorum.

Compliance Measures		Procedures and Results
1	ASX commits to maintaining a board structure for ASX Clear and ASX Settlement comprising at least 50% non-executive directors who are independent of ASX Limited, with a subset of these independent directors able to form a quorum	We examined the Code of Practice and found the following: • "ASX Clear and ASX Settlement Boards will be comprised of at least 50 per cent non-executive directors that are also not directors of ASX Limited". • "ASX will ensure that a quorum for the Boards of ASX Clear and ASX Settlement can be constituted by directors that are not also directors of ASX Limited to consider competitively sensitive information by another market operator". In addition, we examined ASX's Clear and Settlement Boards Charter. Section 38 and 39 states "At least 50% of the total number of directors of the Boards of each of the CS facility licensees must be non-executive directors who are not also directors of ASX (non-ASX directors). The ASX Board has determined that a non-ASX director on the CS Boards will not be considered for appointment as an ASX director. ASX Clear, ASX Settlement, ASX Clear (Futures) and Austraclear shall ensure that a quorum can be constituted by non-ASX directors".

Compliance Measures		Procedures and Results
2	The boards of ASX Clear and ASX Settlement comprise of at least 50 per cent of non-executive directors who are not also directors of ASX Limited.	We examined ASX's website and found that ASX Clear and ASX Settlement Boards comprise at least 50% non-executive directors. As at the date of our report, the four independent non-executive directors that are not directors of ASX Limited are Stephen Knight (Chairman), Carolyn Colley, John Buckley and John Cincotta. The other three directors that are directors of ASX Limited are Dr Heather Smith PSM FAIIA (Independent Director), Luke Randell (Independent Director), and Helen Lofthouse (Managing Director and Chief Executive Officer).

Regulatory Expectation:

f) ASX should establish governance structures and reporting lines at the management and operational levels that promote access to its CS services on commercial, transparent and non-discriminatory terms. These arrangements should ensure that the interests of users are upheld in accordance with Regulatory Expectation 3. This may be demonstrated, for example, through the key performance indicators set for relevant management.

Compliance Measures		Procedures and Results
1	Accountability statements and KPIs for key ASX management include measures that safeguard user interests, consistent with Regulatory Expectation 3.	We reviewed the accountability statement of the Group Executive, Securities and Payments, and sampled management KPIs to assess alignment with Regulatory Expectation 3. Both the statement and the KPIs contain measures that safeguard user interests.

2. Transparent, non-discriminatory, and fair and reasonable pricing of CS services

Regulatory Expectation:

a) ASX should ensure that all prices of individually unbundled CS services, including rebates, revenue-sharing arrangements and discounts applicable to the use of these services:

i) are transparent to all users of the services

ii) do not discriminate in favour of ASX-affiliated entities, except to the extent that the efficient cost of providing the same service to another party was higher

iii) are made available to stakeholders in a form such that the impact of pricing changes can be readily understood.

	Compliance Measures	Procedures and Results
1	The Clearing and Settlement Schedule of Fees published on the ASX website are published transparently and are made available to stakeholders.	We examined the ASX website noting prices for CS services are published within the Clearing and Settlement Schedule of Fees. The fee schedule provides a product level breakdown of fees, as well as a description for any revenue-sharing arrangements and discounts. These fees apply to all customers, including ASX-affiliated entities.
2	Invoices issued to CS service users are charged in accordance with the Clearing and Settlement Schedule of Fees.	We performed testing over Securities & Payments revenues as part of the ASX Limited audit. No differences were noted in the testing performed. Therefore, with the prices for the clearing and settlement services included in the sample of invoices tested, the engagement team concluded that the prices are consistent with the prices published on ASX's website within the Clearing and Settlement Schedule of Fees, effective from 1 July 2024 to 30 June 2025.

Regulatory Expectation:

b) ASX should maintain an appropriate method for determining the prices of its CS services so as to generate expected revenue that reflects the efficient costs of providing those services, including a return on investment commensurate with the commercial risks involved.

	Compliance Measures	Procedures and Results
1	The Enterprise-Wide Pricing Framework, as established under the Code of Practice, determines ASX's method for pricing its CS services.	We inspected the Code of Practice noting that it includes a statment that "ASX will maintain an appropriate method for determining the prices of its cash equities clearing and settlement services so as to generate expected revenue that reflects the efficient costs of providing those services, including a return on investment commensurate with the commercial risks involved". ASX's method to determine the prices of its clearing and settlement services is documented in its Enterprise-Wide Pricing Framework, which has been in effect since January 2017. ASX's return on capital as well as costs of providing CS services are detailed within the ASX Clear Pty Limited and ASX Settlement Pty Limited management income statement, as published on the ASX website. Although outside the FY25 scope, we observed through BC papers/minutes that the new CS services Pricing Policy was consulted on, refined and progressed for Board approval, with commencement effective 1 July 2025.

Compliance Measures		Procedures and Results
2	The method for determining the prices of its cash equities clearing and settlement services generate expected revenue that reflects the efficient costs of providing those services, including a return on investment commensurate with the commercial risks involved.	In 2014, ASX commissioned Oxera, an independent economics consultancy firm, to benchmark the cost of using ASX's clearing and settlement services against the cost of using the services provided by financial market infrastructure providers in other countries. Management have historically relied on this benchmarking study, and the subsequent update in 2016, to determine that the price of its cash equities clearing and settlement services reflect the efficient costs of providing those services. However, given the significant time frame since the study was conducted, management undertook an exercise to review the pricing policy. The new Cash Equities Clearing and Settlement Services Pricing Policy sets out the methodology for how ASX prices are determined for cash equity clearing services provided by ASX Clear and cash equity settlement services provided by ASX Settlement. Public consultation on the Pricing Policy was conducted in September - October 2024. Following Business Committee engagement (including the 6 March 2025 education session) and ASX's published response in May 2025, the CS Boards approved the Policy in June 2025, with commencement effective 1 July 2025 (FY26).

Regulatory Expectation:

c) ASX should make an explicit public commitment that any changes in the prices of its CS services will not be implemented in a way that would materially shift revenue streams between aspects of its trading, clearing and settlement services.

d) ASX should publish any increases in its CS fee schedules along with an attestation justifying their reasonableness. For the most material such increases, this attestation would be expected to refer to relevant metrics and other evidence, such as the calculated return on equity, benchmarked price lists, or an independent review of how ASX's cash equity CS fees compare with those of CS facilities in other markets.

Compliance Measures		Procedures and Results
1	ASX commits publicly that changes in the prices of CS services will not be implemented in a way that would materially shift revenue streams between aspects of its trading, clearing and settlement services.	We examined the Code of Practice noting it provides that "ASX Clear and ASX Settlement will not implement price changes with the purpose of materially shifting revenue streams between other trading, clearing and settlement services".
2	Changes to the Clearing and Settlement Schedule of Fees are reasonable.	We examined the FY24 and FY25 Clearing and Settlement Schedule of fees and noted there were no increases to service fees.

Regulatory Expectation:

e) ASX should maintain an appropriate model for the internal allocation of costs, including the cost of allocated capital, as well as policies to govern the transfer of prices between the relevant ASX Group entities. Compliance with the model and policies would be expected to be subject to internal audit review. The model and policies should be based on reasonable cost allocation principles. For example:

   i) where possible, costs should be directly allocated to the service(s) which give rise to those costs.

   ii) shared costs should be allocated based on appropriate and transparent metrics.

	Compliance Measures	Procedures and Results
1	The ASX internal cost allocation and transfer pricing model are reasonable.	ASX's internal cost allocation and transfer pricing policy is published on ASX's website and includes ASX's internal cost allocation and transfer pricing policy between ASX group entities for clearing and settlement of cash equities in Australia. This policy states that costs may be categorised as either direct or indirect costs. In the first instance, ASX will seek to allocate costs on a direct basis, where they identify costs which can be directly linked to the provision of relevant clearing and settlement services. Costs which cannot be attributed on a direct basis will be allocated based on the most appropriate cost driver, or in proportion to the annualised direct costs for each service category.
2	Management accounts for the cash market clearing, cash market settlement, and issuer services have been prepared in accordance with the ASIC CS Service Rules 2025.	ASX's compliance with its internal cost allocation model and policies has not been subject to an internal audit review in the year, however, we have observed email correspondence between ASX and ASIC where an alternative approach was agreed in 2017. In accordance with the ASIC correspondence, ASX has engaged PwC to perform an external audit over the cash market clearing and settlement management income statement, including obtaining reasonable assurance on whether those statement has been prepared in accordance with ASX's internal cost allocation and transfer pricing policy. The ASX Clear Pty Limited and ASX Settlement Pty Limited management income statement is subject to an annual external audit. The basis of preparation for this accounts is the ASIC CS Service Rules 2025. PwC issued unqualified audit report for the cash market clearing and settlement management income statement for the year ended 30 June 2025.

Regulatory Expectation:

f) ASX should negotiate commercially and in good faith with unaffiliated market operators and CS facilities regarding fees and other financial contributions charged for any extensions to its monopoly CS services, and in particular those provided under the existing Trade Acceptance Service and the Settlement Facilitation Service.

	Compliance Measures	Procedures and Results
1	ASX negotiates commercially and in good faith with unaffiliated market operators and CS facilities regarding fees and other financial contributions charged for extensions to its monopoly CS services.	Per our inquiries, there have been no new fee negotiations in relation to access to CS services for unaffiliated market operators during the year from 1 July 2024 to 30 June 2025.

3. Commercial, transparent and non-discriminatory access to CS services – service levels, information handling and confidentiality

Regulatory Expectation:

a) ASX should have objectives for its CS services that include an explicit public overarching commitment to supporting access to its CS services on commercial, transparent and nondiscriminatory terms. ASX should maintain standard user terms and conditions that are consistent with these objectives, taking into account the legitimate business interests of ASX and any parties seeking access to its CS services.

b) Service level agreements should commit ASX to providing access to its CS services for unaffiliated market operators and CS facilities on operational and commercial terms and service levels that are materially equivalent to those that apply to ASX as a market operator or CS facility.

	Compliance Measures	Procedures and Results
1	ASX's Code of Practice makes an explicit public commitment to supporting access to its CS services on commercial, transparent and non-discriminatory terms.	We have examined the Code of Practice. We noted that it includes the following statement: "ASX is committed to providing access to clearing and settlement services (including the provision of data) on transparent and non-discriminatory terms and will respond to requests for access in a fair and timely manner".
2	ASX's Trade Acceptance Service (TAS) and Settlement Facilitation Service (SFS) agreements: • Assess whether ASX's standard user terms are consistent with its objectives as set out in the Code of Practice. • Assess whether ASX's commitment to providing access to its CS services on operational and commercial terms and service levels are materially equivalent to those that apply to ASX as a market operator or CS facility.	We have examined the TAS and SFS agreements. We noted that these agreements contain standard user terms and conditions that provide for ASX to grant non-discriminatory access to its clearing and settlement services. The TAS and SFS terms and conditions require that ASX provide CS services that are: • Of comparable quality to the services provided to ASX Limited. • In accordance with applicable laws, operating rules and procedures. • Without discriminating in relation to clearing and settlement participants on the basis of where the trade was affected or reported. The TAS legal terms and SFS service agreement may only be amended by mutual written agreement of the parties. In FY25, ASX supplemented the TAS framework with the TAS/Product Services Information Handling Standard (24 Sep 2024), formalising "needs-to-know" handling of AMO confidential information and safeguards against disclosure to other AMOs; this enhancement did not alter access or service-quality obligations.

Regulatory Expectation:

c) ASX should publish and adhere to protocols for dealing fairly and in a timely manner with requests for access. These protocols should include reasonable timeframes for responding to enquiries and arrangements for dealing with disputes. Nothing in the protocols should affect either party's right to refer a dispute to arbitration by the ACCC once the arbitration regime is implemented.

	Compliance Measures	Procedures and Results
1	ASX's TAS and SFS agreements provide arrangements for dealing with disputes.	We have examined the TAS and SFS agreements. We noted that clauses 43 to 51 of the TAS legal terms and clause 13 of the SFS agreement set out the dispute resolution process. Unresolved disputes after 30 days are referred to arbitration under the Commercial Arbitration Act (NSW). The arbitrator is to be appointed by agreement between the parties; if they are unable to agree, an arbitrator is appointed by the Australian Commercial Disputes Centre. We have inquired with management, and have inspected the incidents register for the year from 1 July 2024 to 30 June 2025, and note that there have been no disputes during the year.
2	ASX's AMO and ALMO procedures for access requests provide published protocols for dealing in a timely manner with requests for access.	We have examined the Procedures for Access Requests by Approved Market Operators (AMO), and the Procedures for Access Requests for Approved Listing Market Operators (ALMO). We noted that these procedures set out target timeframes for responding to enquiries.
3	ASX's Cash Equities Clearing and Settlement Code of Practice Access Protocols provide published protocols for dealing fairly and in a timely manner with requests for access.	We have examined the ASX Cash Equities Clearing and Settlement Code of Practice Access Protocols. We noted that these protocols set out target timeframes for dealing with access requests as well as dispute resolution arrangements. All new enquiries for access will be responded to within 3 business days and upon receipt of a complete and valid application, ASX Clear and ASX Settlement will consider the request and respond to the applicant within 15 business days. Further, unresolved disputes after 30 days are referred to arbitration, where the arbitrator must be appointed by agreement between the parties.
4	ASX has published protocols for dealing fairly and in a timely manner for new product requests.	We have assessed whether ASX adhered to its published protocols for dealing fairly and in a timely manner for new product requests. We have conducted a walkthrough to obtain an understanding of the Compliance Team's process for managing new product requests. Per our enquiries and inspection of documentation in the walkthrough, we noted that: • All new product requests from AMOs are treated as conflict sensitive requests, meaning they are handled according to the TAS/Product Services Information Handling Standard, and • New product requests are submitted to the General Manager, Enterprise Compliance, clearly marked as conflict sensitive, stored on a restricted share drive, and distributed on a "needs-to-know" basis with information barriers (particularly between Markets and other teams). Additionally, we have inspected emails and other documentation for a sample of new product requests and evaluated whether the TAS/Product Services Information Handling Standard had been adhered to. For the sample selected, we found that ASX adhered to the requirements of the TAS/Product Services Information Handling Standard.

Regulatory Expectation:

d) ASX should make an explicit commitment to ensuring that any investments in the systems and technology that support its cash equity CS services do not raise barriers to access from unaffiliated market operators or CS facilities. Announcements of any material investments in the systems and technology that support ASX's cash equity CS services should be accompanied by a public attestation that those investments will be designed in a way that does not raise such barriers.

	Compliance Measures	Procedures and Results
1	ASX's Code of Practice provides explicit commitment to ensure that investments in the systems and technology that support its CS services do not raise barriers to access.	We have examined the Code of Practice. We noted that it includes the following statement: "ASX is committed to ensuring its investments in the systems and technology that support its cash equities clearing and settlement infrastructure are not designed in such a way as to raise barriers to access to other market operators or clearing and settlement facilities".
2	ASX makes public announcements regarding potential barriers to access from unaffiliated market operators or CS facilities arising from additional investment relating to CHESS replacement	We have examined the ASX website for announcements regarding CHESS replacement. We noted that on 26 November 2024, ASX announced the implementation plan for Release 2 of the CHESS project, confirming a staged, product-based replacement using the modular TCS BaNCS platform (Release 1: clearing targeted for 2026; Release 2: settlement/subregister targeted for 2029) on cloud services. The announcement sets out project cost ranges, CAPEX guidance for FY25–FY27, and progression of the $70m Partnership Program, and notes continued consultation on T+1 following CHESS implementation. No changes were signaled that would introduce barriers to access for unaffiliated market operators or CS facilities; the emphasis is on industry preparation, readiness and engagement.

Regulatory Expectation:

e) ASX should retain, and periodically review, its standards for the handling of sensitive or confidential information. Consistent with governance arrangements that promote access on commercial, transparent and non-discriminatory terms (see Regulatory Expectation 1(e)), these arrangements should ensure that conflict sensitive information pertaining to the strategic plans of unaffiliated market operators or CS facilities is handled sensitively and confidentially, and cannot be used to advance the interests of ASX as a market operator or CS facility.

	Compliance Measures	Procedures and Results
1	ASX's Conflict Management Policy and Conflict Management Handbook ensures that conflict sensitive information is identified and cannot be used to advance the interests of ASX as a market operator or CS facility.	We have examined the Conflict Management Policy and Conflict Management Handbook. We noted that it sets out the governance arangements ASX has in place to identify and address actual, perceived and potential conflicts of interest. Section 5.3 of the Conflict Management Handbook addresses managing conflicts of interest arising from CS services through disclosure, confidentiality, and governance.

	Compliance Measures	Procedures and Results
2	ASX's TAS and SFS Information Handling Standards ensure that conflict sensitive information is handled sensitively and confidentially.	We have examined the TAS and SFS Information Handling standards. We noted that they outline procedures to ensure that conflict sensitive information is handled sensitively and confidentially. Specifically, • Section 4 outlines the protection of AMO confidential information (handled with at least the same care as ASX's own confidential information and used only to provide TAS/Product Services, comply with law, or with AMO approval). • Section 5 sets the submission and screening process for AMO Conflict Sensitive Information (to be sent in writing to the General Manager, Enterprise Compliance, clearly marked "AMO Conflict Sensitive Information"). • Section 6 outlines the distribution and use of AMO Conflict Sensitive Information on a "needs-to-know" basis. Distribution is restricted to appropriate ASX employees requested/approved by the AMO or determined by the General Manager, Enterprise Compliance as required to provide services or meet regulatory obligations; a limited director exception applies for ASX Clear/ASX Settlement boards where information is reasonably required for CS facility oversight. Board papers containing such information are to be reviewed by the General Manager, Enterprise Compliance and clearly marked accordingly.
3	ASX performs a periodic review of the TAS and SFS Information Handling Standards	We have obtained and reviewed evidence of ASX's review of the TAS and SFS Informational Handling Standards in FY25. Both the TAS/Product Services and SFS Information Handling Standards were updated, approved through ASX's governance process, and published on the ASX website in September 2024. The review included circulation for stakeholder comment (including AMO involvement). The standards set requirements for protection of sensitive/confidential information, submission/screening controls, and "needs-to-know" distribution with information barriers.