

Independent Expert Report

Independent assessment of ASX Assurance Plan for
the CHES Project

Sixth Six-Monthly Progress Report

30 June 2025

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The better the question.
The better the answer.
The better the world works.



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1. Executive Summary

1.1 Introduction

CHESS Project

CHESS is used by ASX as a core system to perform clearing, settlement and other post-trade services for the Australian equity market. ASX is undertaking a project to replace CHESS with a new technology solution ('CHESS Project').

ASX will implement the new platform in two main releases, with the clearing component to be delivered in a first release in the first half of 2026 ('Release 1'), and the settlement and sub-register components to follow in a second release in 2029 ('Release 2').

ASX Assurance Plan over CHESS Project

In June 2024, the ASX Assurance Plan over the CHESS Project ('ASX Assurance Plan') for Release 1 was approved through ASX governance processes, to support the CHESS Project in meeting its primary objective of the successful replacement and decommissioning of the current CHESS system.

In April 2025, ASX performed its first annual review of the ASX Assurance Plan, both refreshing the ASX Assurance Plan for Release 1 and developing the ASX Assurance Plan for Release 2 activities up to June 2027, aligned to the project's 'near-term' plan.

1.2 Scope

Licence Conditions and EY Independent Expert role

In November 2021, ASIC imposed certain Licence Conditions on ASX Clear Pty Ltd and ASX Settlement Pty Ltd which included the appointment of an independent expert to assess the ASX Assurance Plan and oversee the implementation of any remedial actions from the trade

outage independent expert review recommendations which are relevant to the CHESS Project.

This Report

The objective of this report is to evaluate whether the ASX Assurance Plan is fit-for-purpose.

Our assessment included the following:

- a. The refreshed ASX Assurance Plan for Release 1 and the design of the ASX Assurance Plan for Release 2, identifying any topics that require further independent assessment and any remedial actions.
- b. The governance processes over the ASX Assurance Plan, and
- c. The completed assurance activities during the six-monthly period.

We define the Licence Condition term 'fit-for-purpose' as the extent to which the coverage of the material CHESS Project risks and deliverables, and the nature, extent, timing and sequencing of assurance activities, and governance and change management of the ASX Assurance Plan, are suitable for the size and complexity of the CHESS Project.

This report is our sixth six-monthly progress report and eighth independent expert report under the Licence Conditions.

1.3 Approach

We assessed the design of the ASX Assurance Plan against EY's Program Risk Management 'Cube' methodology, the CHESS Project key risks and milestones, and the risks associated to findings and recommendations of prior external reviews and assurance activities completed.

We interviewed assurance providers, CHESS Project and ASX Assurance Plan management and accountable executives, and selected ASX and CS Board members ('tell me').

We reviewed the supporting artefacts of the completed assurance activities, conflict of interest processes, and committee and governance forum papers ('show me').

We held interviews with a sample of external stakeholders and attended Business Committee and Technical Committee meetings to obtain the “voice of the customer.”

1.4 Our Conclusion

Design of the ASX Assurance Plan

Based on the procedures performed, our assessment found that the ASX Assurance Plan was fit-for-purpose. We found the coverage, nature, timing and extent of activities were appropriate. We have no recommendations for the design of the ASX Assurance Plan.

Governance over the ASX Assurance Plan and Completed Assurance Activities

Based on the procedures performed, our assessment found that the governance over the ASX Assurance Plan and the completed assurance activities in this Report period were fit for purpose.

Recommendation 1:

We have one recommendation for the ASX Assurance Plan going forward. While we had no material exceptions in our testing, given the increasing volume and complexity of Release 1 and Release 2 assurance activities, we recommend that the ASX consider reconfirming the process and controls over the closure of assurance findings and recommendations.

1.5 Our Assessment Summary

- **ASX Assurance Plan for Release 1** - Our assessment included the evaluation of the following attributes:

- 1.A. Coverage of assurance activities.
- 1.B. Nature and extent of assurance activities
- 1.C. Timing of assurance activities

The table below summarises the results of our assessment per attribute:

EY Assessment Attribute	1.A. Coverage	1.B. Nature and extent	1.C. Timing
Assessed as appropriate	✓	✓	✓

Legend: ✓ Attribute addressed / ⚠ Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

Our assessment did not identify any material exceptions in relation to the coverage, nature and extent, and timing of the proposed assurance reviews, the high-level topics and the current CHES Project milestones based on the known CHES Project Release 1 activities up to go-live in the first half of 2026.

The CHES Project Health Check is the last one planned before Release 1 Go-Live. The preliminary scope does not include overall risk management. While the ASX Assurance Plan is anchored by risk and each assurance activity considers relevant risks, we expect ASX to consider including overall risk management processes of project delivery and delivered risks, including those risks associated with ASX and their third parties, in the scope of the CHES Project Health Check.

We will assess the detailed scope, nature and extent of procedures and the actual timing of the assurance reviews when they are completed and include our findings in our future reports.

Refer to section 3.1 for the details of our procedures.

- **ASX Assurance Plan for Release 2** - Our assessment included the evaluation of the following attributes:

- 2.A. Coverage of assurance activities.
- 2.B. Nature and extent of assurance activities
- 2.C. Timing of assurance activities

The table below summarises the results of our assessment per attribute:

EY Assessment Attribute	2.A. Coverage	2.B. Nature and extent	2.C. Timing
Assessed as appropriate	✓	✓	✓

Legend: ✓ Attribute addressed / ⚡ Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

Our assessment did not identify any material exceptions in relation to the nature and extent, and timing of the proposed assurance reviews based on the known CHES Project Release 2 activities up to June 2027.

We will assess the detailed scope, nature and extent of procedures and the actual timing of the assurance reviews when they are completed in our future reports.

Refer to section 3.2 for the details of our assessment and the results thereof.

- **Governance over the ASX Assurance Plan** – Our assessment of the appropriateness of the governance over the ASX Assurance Plan included the evaluation of the following attributes:
- 3.A. Progress of assurance activities against the planned timelines.
 - 3.B. Change management process over the ASX Assurance Plan.
 - 3.C. Monitoring and reporting processes for the ASX Assurance Plan.
 - 3.D. Governance processes over agreed management actions and closure of findings raised by assurance reviews.
 - 3.E. Ongoing evaluation of the assurance providers' independence.
 - 3.F. Remedial actions from historical reviews.

The table below summarises the results of our assessment per attribute for this six-monthly cycle.

EY Assessment Attribute	3.A. Planned Timelines	3.B. Change Mgmt	3.C. Monitoring and Reporting	3.D. Mgmt Actions and Closure of Findings	3.E. Assurance Provider Independence	3.F. Remedial actions from Historical Reviews
Assessed as appropriate	✓	✓	✓	✓	✓	✓

Legend: ✓ Attribute addressed / ⚡ Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

Our assessment found that there are strong governance processes over the ASX Assurance Plan.

Our assessment of the changes to the timing of assurance activities, and the milestones that they are anchored to, found that adjustments were supported by an adequate rationale in accordance with the movements in CHES Project timelines. Our assessment found that the assurance reviews planned were completed against the CHES Project milestones they were anchored to.

We reviewed the [REDACTED] during the period and observed the meetings held during the period, except for the [REDACTED]. Our assessment found that ASX has established processes for key aspects of governance and maintenance related to the ASX Assurance Plan. This includes clearly defined roles and responsibilities, regular reviews and approvals, progress reporting, an escalation process, adjustments to review timelines, monitoring of outcomes from completed assurance activities, and effective management of independence and conflicts of interest.

Recommendation 1:

We sampled five of the nine findings closed during the period. We had no material exceptions in our testing.

Given the increasing volume and complexity of Release 1 and Release 2 assurance activities, we recommend that the ASX consider reconfirming the process and controls over the closure of assurance findings and recommendations.

This could include implementing a documented process and control for the assurance providers' assessment of proposed management actions in response to recommendations, the nature, timing and extent of assurance provider assurance of implementation of actions, and the nature of evidence retained by ASX Assurance Plan to support closure.

Refer to section 3.3 for the detailed results of our assessment.

- **Completed ASX Assurance Plan assurance reviews** - Our assessment of the appropriateness of the seven completed assurance reviews in the period included the evaluation of the following attributes:

- 4.A. Scope aligns to the ASX Assurance Plan,
- 4.B. Approach is reasonable to achieve scope,
- 4.C. Capacity and capability of team match scope and approach,
- 4.D. Deliverables and level of detail are clearly defined, and
- 4.E. Appropriateness and relevance of findings and recommendations in relation to the procedures executed and the risks intended to be covered.

The table below summarises the results of our assessment per attribute for this six-monthly cycle.

EY Assessment Attribute	4.A. Scope alignment	4.B. Approach	4.C. Team capability	4.D. Deliverables	4.E. Findings and recommendations
Assessed as appropriate - Current Period	7 out of 7 ²	7 out of 7	7 out of 7	7 out of 7	7 out of 7
Assessed as appropriate - total to date	15 out of 15	15 out of 15	15 out of 15	15 out of 15	15 out of 15

Note 2: Five of the seven reviews in this period focused on the assessment of the design of processes and controls across different review topics. For three of the seven reviews (Release 1 Platform

Penetration Testing Part 1, Release 1 Data Migration Part 1, Release 1 Resiliency, Capacity and Performance Part 1) the review was not able to execute the whole of the planned scope as some project outcomes were not ready for review. These un-reviewed areas were documented in Review Briefs and Final Reports and tracked by ASX for future review planning, management and coverage purposes. We will assess how the ASX Assurance Plan incorporates these items into the nature, timing and extent of subsequent reviews.

The ASX Assurance Plan has also considered the lessons learned from the completed ASX Assurance Plan for Release 1 assurance activities and applied it to the timings of the assurance activities for ASX Assurance Plan for Release 2.

Refer to section 3.4 for the detailed results of our assessment.

Next steps

As the CHES Project Release 1 approaches its final milestones, we will increase our focus on the appropriateness of the processes for go-live, including governance on Go / No-Go decision processes and the approach for cut-over including business continuity and contingency planning.

We will continue to focus on the alignment of the ASX Assurance Plan activities with both the delivery and delivered CHES Project risks and their associated controls.

Refer to Appendix D for the list of ASX assurance reviews we plan to assess in our next six-monthly report. We will monitor changes to the ASX Assurance Plan.

Our next report under the Licence Condition is due on 31 December 2025.

We acknowledge and thank ASX and its assurance providers for their cooperation in undertaking our independent assessment activities to date.

2. Introduction

2.1 Background

CHESS Project

In November 2023, ASX announced it would proceed with a product-based solution design to replace CHESS. A global technology provider was chosen to deliver the solution using a product which offers a modular technology platform for clearing and settlement services. Given the scale and complexity of the CHESS Project, an external party was chosen as solution integrator to provide additional capability, capacity and industry expertise.

ASX are planning to implement the new platform in two main releases. This staged approach is expected to reduce overall delivery risk and should help manage impacts on stakeholders, as compared to a single release. Release 1 will be clearing services, with settlement and sub-register services to follow in Release 2. Work is underway on both releases, which are planned to be deployed on cloud-based services selected by ASX.

With the scope of Release 1, this phase will mostly impact the AMOs, while new functionalities and technical features in Release 2 will have impact to the rest of the industry (i.e., Clearing Participants, Settlement Participants, Share Registries, and Payment Providers). The scope of Release 2 is broader than Release 1, with Release 2 including the following:

- Clearing upgrades
- Settlement functionality
- Subregister and issuer sponsored processes
- Corporate actions
- Connectivity interfaces and data

In the 5 February 2025 Technical Committee Paper, the following were communicated:

- The CHESS Project Release 1 was tracking amber due to the delays in testing and in finalising the Data and Reporting integrated plan.
- The CHESS Project Release 2 had completed pre-analysis and commenced assessing the business requirements for Release 2 Drop 1.
- Nine assurance reviews, excluding the independent licence condition reviews, had been completed.

In the 3 March 2025 Technical Committee Paper, the following were communicated:

- The CHESS Project launched the Release 1 ITE for commencement of the AMO Build and Test phase on 28 February 2025.
- The next area of focus for Release 1 was preparation for the AMO Readiness phase.
- The CHESS Project Release 1 was tracking Amber due to the testing scope carried over from Drop 2, increasing delivery schedule pressures for the AMO Readiness phase.
- The CHESS Project Release 2 was tracking to plan with a number of additional resources onboarded to support delivery of Drop 1 and Drop 2.

In the 2 April 2025 Technical Committee Paper, the following were communicated:

- The CHESS Project Release 1 was tracking amber driven by the delivery schedule pressure to complete AMO Readiness testing.
- The vendor non-functional performance testing on 20 million trades was in progress. ASX non-functional performance testing was expected to commence from late March 2025.
- The CHESS Project Release 2 Drop 1 business requirements had been drafted and were targeted for sign-off by late-April 2025.

In the 6 May 2025 Technical Committee Paper, the following were communicated:

- The CHESS Project Release 1 was tracking amber still due to the delivery schedule pressure to complete AMO Readiness testing.

- The vendor non-functional performance testing on 20 million trades was completed in late April 2025. ASX non-functional performance testing commenced in late April 2025.
- CHES Project Release 2 Drop 1 business requirement documents had been drafted and were on track to be signed off by 30 April 2025. The CHES Project Release 2 Drops 2 and 3 are in progress.

ASX Assurance Plan

In June 2024, the ASX Assurance Plan developed the first iteration of the ASX Assurance Plan based on the level of information available for the CHES Project Release 1 and Release 2. It covered:

- Release 1 (Clearing) activities to 2026 go-live
- Release 2 (Settlement and Sub-register) activities focused on project anchor milestones up to December 2024.

The objectives of the ASX Assurance Plan are to:

- support the CHES project to achieve its objectives (successful replacement and decommissioning of current CHES with a new solution that meets functional and non-functional requirements) and assist in identifying and mitigating delivery risk; and
- provide confidence to internal and external stakeholders that project delivery is being well managed and to provide input to decision making at key stages, including go-live readiness.

In May 2025, the ASX Assurance Plan undertook its first annual review. The purpose of the annual review is to:

- confirm that the ASX Assurance Plan for Release 1 remains current, covers key risk areas and is aligned to project timings; and
- progressively develop the ASX Assurance Plan for Release 2 following industry consultation and ASX approval processes in late 2024.

[REDACTED]

For the June 2025 reporting period, the following seven completed assurance reviews were performed by the primary assurance provider (3 reviews), other external assurance providers (3 external providers performed 3 reviews) and the ASX internal audit (1 review):

1. Release 1 Requirements and Design Process Review
2. Release 1 Data Migration Processes Review Part 1
3. Release 1 ASX Test Policy and Standards Assessment Stage 2
4. Release 1 Resiliency, Capacity and Performance Review Part 1
5. Release 1 System Security Requirements Review Part 1 and 2
6. Release 1 Platform Penetration Testing Part 1
7. Release 1 CHES Replacement Application Controls - design effectiveness

The outcomes of individual reviews planned in the ASX Assurance Plan, and their findings are tracked by the ASX Assurance Plan workstream within the CHES Project and reported periodically to the required ASX and project governance forums. Refer to Appendix A for the list of assurance reviews completed and an extract of the results thereof reported [REDACTED].

At the end date of our fieldwork for this report, there were five inflight ASX assurance reviews:

1. Release 1 Project Health Check 2.
2. Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHES solution).
3. Release 1 Business process risk and control assessment process Review.
4. Release 1 Platform Penetration Testing (BaNCS internal UI web interface).
5. Release 1 industry readiness activities review (Part 1: Support and Management of AMO Build and Test, Preparation and Management of AMO Readiness activities; and Planning and Design for other industry test phases. Excludes AMO Parallel Test and Dress Rehearsals).

We will assess these once they have been completed and include our findings in our next six-monthly report.

ASX Clear and ASX Settlement Licence conditions

As a related matter, in November 2020 an outage occurred following a major upgrade to ASX's equity trading platform (ASX Trade), called the ASX Trade Refresh project. Consequently, the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA) required an independent expert review of the ASX Trade Refresh project to be completed. The independent expert made recommendations in seven key categories from this review: risk, governance, delivery, requirements, vendor management, testing and incident management (collectively the trade outage independent expert review recommendations).

The combination of the trade outage and the criticality of the CHES Project has led ASIC (as delegate for the Minister) to impose certain Licence Conditions on ASX Clear and ASX Settlement. Australian CS Facility Licence (ASX Clear Pty Limited) Additional Conditions Notice 2021 (No.1) dated 24 November 2021 and Australian CS Facility Licence (ASX Settlement Pty Limited) Additional Conditions Notice 2021 (No.1) dated 24 November 2021, condition 2 on Schedule 1 "Appointment of an independent expert" required ASX to engage an independent third party (independent expert) to conduct an assessment of its existing ASX Assurance Plan on its CHES Project prior to Go-Live and oversee the implementation of any remedial actions from the trade outage independent expert review recommendations which are relevant to the CHES Project. ASX subsequently appointed EY as the independent expert on 21 December 2021.

With the objective of providing confidence to the efficient and effective future operation of Australia's financial markets infrastructure, the Licence Conditions are directed at mitigating risks with emphasis on the oversight of the CHES Project and require EY as independent expert to assess whether the ASX Assurance Plan for the replacement of CHES is designed and operating effectively with regular (6 monthly) reporting to ASIC.

2.2 Scope

In accordance with the relevant Licence Conditions, EY has been engaged to assess the ASX Assurance Plan and oversee the implementation of any remedial actions from the trade outage independent expert review recommendations which are relevant to the CHES Project.

The objective of this report is to assess whether the ASX Assurance Plan continues to be fit-for-purpose. Our procedures to evaluate the appropriateness of the activities during this cycle included an assessment of the following aspects:

1. ASX Assurance Plan for Release 1

- 1.A. **Coverage of assurance activities.** Assessing how the ASX Assurance Plan for Release 1 was updated and reviewing the design and content to determine whether the scope breadth remains appropriate and whether key topics are missing or not covered in the updated list of assurance reviews that integrate the plan.
- 1.B. **Nature and extent of assurance activities.** Assessing the updated proposed scope of individual reviews to determine whether they had been planned with the appropriate depth to achieve the expectations and objectives of the ASX Assurance Plan.
- 1.C. **Timing of assurance activities.** Assessing the adjusted proposed timing for the reviews in the ASX Assurance Plan to determine whether they had been scheduled at the right time in alignment to project milestones when the associated project risks are more relevant.

2. ASX Assurance Plan for Release 2

- 2.A. **Coverage of assurance activities.** Assessing how the ASX Assurance Plan for Release 2 was designed and reviewing the design and content to determine whether the scope breadth is appropriate and whether key topics are missing or not covered

in the proposed list of assurance reviews that integrate the plan.

- 2.B. **Nature and extent of assurance activities.** Assessing the proposed scope of individual reviews to determine whether they had been planned with the appropriate depth to achieve the expectations and objectives of the ASX Assurance Plan.
- 2.C. **Timing of assurance activities.** Assessing the proposed timing for the reviews in the ASX Assurance Plan to determine whether they had been scheduled at the right time in alignment to project milestones when the associated project risks are more relevant.

3. Governance over the ASX Assurance Plan

- i. **Progress of assurance activities against the planned timelines.** Evaluating whether the assurance activities were scheduled, executed and completed at the right time in alignment to when the associated CHESS Project risks were more relevant.
- ii. **Change management process over the ASX Assurance Plan.** Assessing whether changes to the ASX Assurance Plan, such as scope and schedule and topics, were raised to and approved by the appropriate governance forum.
- iii. **Monitoring and reporting processes for the ASX Assurance Plan.** Determining whether appropriate governance forums were in place and the assurance activities were reported and monitored appropriately following the established mechanisms.
- iv. **Governance processes over agreed management actions and closure of findings raised by assurance reviews.** Assessing whether management actions and findings raised by assurance reviews were tracked and closed by the ASX Assurance Plan appropriately.
- v. **Ongoing evaluation of the assurance providers' independence.** Determining whether appropriate conflict of interest assessment processes were implemented and executed

to identify, assess, manage and report regarding the independence of assurance providers.

- vi. **Remedial actions from historical reviews.** Assessing whether the remedial actions from historical reviews had been considered in the performance of the assurance activities.

4. Completed ASX Assurance Plan Activities

- 4.A. **Scope aligns to the ASX Assurance Plan.** Assessing the appropriateness of the detailed scope of the assurance review in alignment to the objectives of the ASX Assurance Plan regarding key topics and CHESS Project risks coverage.
- 4.B. **Approach is reasonable to achieve the scope.** Assessing individual review procedures to determine whether the nature and extent of the procedures were appropriate to achieve the expectations and objectives of the review.
- 4.C. **Capacity and capability of team match scope and approach.** Assessing the capacity, capability of the assurance provider that performed the individual assurance review to determine whether they were commensurate with the requirements of the individual review performed.
- 4.D. **Deliverables and level of detail are clearly defined.** Assessing whether deliverables were clearly documented.
- 4.E. **Appropriateness and relevance of findings and recommendations in relation to the procedures executed and the risks intended to be covered.** Assessing whether the findings and recommendations identified were relevant to the risks intended to be covered by the assurance review and procedures performed.

2.3 Approach

In undertaking our assessment for the delivery of this report, the following activities were performed:

1. **Show me documentation:** A detailed assessment and analysis of the ASX Assurance Plan, the completed ASX Assurance Plan reviews and related artefacts included the [REDACTED]
[REDACTED]
the relevant [REDACTED] for the completed assurance reviews, [REDACTED]
[REDACTED]. All documentation was provided to EY by ASX based on a documentation request or were available to the public through the ASX website. A list of documentation assessed can be found in Appendix F.
2. **Tell me Interviews with key stakeholders:** The assessment involved internal and external stakeholder interviews and attending Business Committee and Technical Committee meetings to capture additional input to complement the analysis of the documentation provided and enhance our understanding of the CHES Project and its Assurance Plan. Key stakeholders identified were asked about their role with respect to the CHES Project and the ASX Assurance Plan and their perspectives around the execution of the ASX Assurance Plan reviews including the coverage of key CHES Project risks and the expected levels of assurance to be provided.

EY have grouped stakeholders into the following cohorts:

- ASX Board representatives
- CHES Project governance members, accountable and responsible executives
- ASX Assurance Plan governance members, accountable and responsible executives
- ASX Assurance Plan assurance providers
- CHES Project third party providers - global technology provider and the solution integrator.

- Voice of the customer - A sample of representatives from industry participants, including AMOs, clearing and settlement participants, settlement-only participants, industry associations, registries, vendors, and Business Committee and Technical Committee observation and papers.

A list of interviews conducted with key stakeholders can be found in Appendix E.

EY will continue to seek external views for our future reports on a six-monthly basis.

2.4 Limitations

We draw your attention to the limitations inherent in this report:

- ▶ Our work was not performed in accordance with generally accepted auditing, review, or other assurance standards in Australia and accordingly does not express any form of assurance. This report does not constitute legal opinion or advice. We have not conducted a review to detect fraud or illegal acts.
- ▶ Our work does not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.
- ▶ Our work did not intend to identify, address, or correct any errors or defects in your computer systems, other devices, or components thereof ("Systems"), whether or not due to imprecise or ambiguous entry, storage, interpretation, or processing or reporting of data. We are not responsible for any defect or problem arising out of or related to data processing in any Systems in relation to the CHES Project and its Assurance Plan.
- ▶ Our assessment of the ASX Assurance Plan detailed scope was limited to the information available and provided by ASX at this stage, noting that future assessments included in the plan have only had high-level planning conducted in respect thereof and a detailed

analysis of scope and effort is pending. That fact limits our ability to perform a more granular analysis on the depth of the ASX Assurance Plan.

- ▶ Our assessment was limited to documents requested by EY and provided by ASX as deemed relevant in line with the agreed scope and EY requests, with the expectation that ASX had those artefacts documented to satisfy its own governance arrangements and executive accountability needs.
- ▶ Our scope under the licence conditions requires us to oversee the implementation of any remedial actions from the trade outage Independent Expert review recommendations which are relevant to the CHESS Project. For the purpose of our engagement, we define oversee as to observe, inspect and test that ASX has considered the remedial actions in the ASX Assurance Plan. ASX are accountable and responsible for the implementation activities and EY will not act as management or direct the implementation.

2.5 Use and disclosure of our reports

We are providing specific advice only for this engagement and for no other purpose and we disclaim any responsibility for the use of our advice for a different purpose or in a different context. If you plan to use this advice on another transaction or in another context, please let us know and provide us with all material information so that we can provide advice tailored to the appropriate circumstances.

Our Reports (including the EY Summary Reports) may be relied upon by ASX and ASX's regulators ASIC and the RBA for the purpose outlined in our [REDACTED] only. We understand that ASIC and the RBA, and ASX may issue a media release and/or a public report referring to or publishing the content of our Reports and may make or issue our Reports or a summary of the content of our Reports. We will prepare a summary of our Reports (EY Summary Reports). We consent

to ASIC and the RBA, and ASX publishing our Reports, EY Summary Reports and/or summaries of our Reports.

For the avoidance of doubt, no other party other than ASX, ASIC and the RBA may rely on the Reports. We disclaim all responsibility to any such other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our Reports, the provision of our Reports to the other party or the reliance upon our report by the other party.

3. Findings and Recommendations

Detailed in sections 3.1 through 3.4 are the findings and recommendations in relation to our assessment of the ASX Assurance Plan, the governance processes for the ASX Assurance Plan and the completed assurance reviews in this period.

3.1 ASX Assurance Plan for Release 1

The objective of this area was to evaluate whether the refreshed ASX Assurance Plan for Release 1 remained adequately designed to mitigate the risks associated with the nature, scale and complexity of the CHES Project Release 1. The table below shows the overall summary of the procedures performed and the coverage of the elements assessed in the ASX Assurance Plan for Release 1:

Assessment source	Number of elements assessed	Covered and scheduled	Covered, currently not scheduled	Not covered
EY's Program Risk Management 'Cube' methodology	27	27	0	0
Project risks	83	83	0	0
Project and business enablers and capabilities / epics	29	29	0	0
Project milestones	23	23	0	0
External review report	45	45	0	0
Trade outage independent expert review report	66	66	0	0
Previous assurance plan reviews	166	166	0	0
Previous licence conditions reports	12	12	0	0
Define and Plan phase independent report	37	37	0	0
Expectations of the industry participants	11	11	0	0

Our procedures included the assessment of the following attributes:

EY Assessment Attribute	1.A. Coverage	1.B. Nature and extent	1.C. Timing
Assessed as appropriate	✓	✓	✓

Legend: ✓ Attribute addressed / 🟡 Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

- 1.A. Coverage of assurance activities.
- 1.B. Nature and extent of assurance activities
- 1.C. Timing of assurance activities

1.A Coverage of assurance activities. Assessed how the ASX Assurance Plan for Release 1 was updated and reviewed the design and content to determine whether the scope breadth remain appropriate and whether key topics were missing or not covered in the updated list of assurance reviews that integrate the plan.

Context

The following aspects were considered and performed by ASX regarding the update of the ASX Assurance Plan for Release 1:

- Work has been completed to confirm that the remaining Release 1 reviews continue to be relevant for coverage of key risks.
- Review timings have been updated to align with project milestones and timeframes as currently baselined.
- Additional review topics were proposed which evolve assurance coverage for the final stages of ASX change readiness and to meet new regulatory requirements to support decision-making.
- The CHES Project Release 1 Assurance Plan will continue to be updated for any material emerging risks as they are identified.

The refreshed ASX Assurance Plan proposed the following additional reviews for Release 1:

- a. ASIC CS Services Rule - External Assurance Report Release 1 (proposed assurance provider: Primary Assurance Provider)

- b. Release 1 Operating Model Review (proposed assurance provider: Primary Assurance Provider)
- c. Release 1 Operational Processes and Controls Review (proposed assurance provider: ASX Internal Audit)

Findings

The ASX Assurance Plan for Release 1 integrated assurance activities to pertinent CHES Project events up to the go-live in the first half of 2026.

We assessed ASX Assurance Plan's coverage using EY's Program Risk Management 'Cube' methodology (Appendix C) and industry practices to develop program assurance activities in relation to major implementation projects. The ASX Assurance Plan for Release 1 considered topics that will cover the identified project risks, and the findings and recommendations raised in the previous independent, external and assurance reviews. Our assessment of the assurance reviews mapped to the EY's Program Risk Management 'Cube' Methodology, and project and business enablers and capabilities noted that assurance activities covering the high-level topics were scheduled to be performed up to the go-live in the first half of 2026, with no material exceptions.

We performed the following assessments:

- a. **EY's Program Risk Management 'Cube' methodology** - We compared the key focus areas included in the ASX Assurance Plan against typical project risks following EY's Program Risk Management 'Cube' Methodology, including those related to program governance, project management and technical solution. The objective of this mapping was to determine the coverage of those typical project risks by the proposed ASX Assurance Plan reviews for Release 1 and Release 2.
- b. **CHES Project risks** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan proposed reviews cover the risks identified by the CHES Project. We compared the key focus areas included in the ASX Assurance Plan against key project risks performing the following procedures:

- i. Obtained and reviewed the [REDACTED] used in the refreshed ASX Assurance Plan for Release 1 and the design of the ASX Assurance Plan for Release 2.
- ii. For each of the risk exposure areas identified by the project, inspected the ASX Assurance Plan to determine whether the identified project risk was covered by any assurance activities per the ASX Assurance Plan.
- c. **CHES Project and business enablers and capabilities / epics** - The objective of this mapping was to determine at a high level how the ASX Assurance Plans proposed reviews cover the risks associated to the enablers and capabilities/epics defined by the CHES Project. We evaluated how the refreshed ASX Assurance Plan for Release 1 and the ASX Assurance Plan for Release 2 continuously provided coverage against key business enablers and capabilities for the CHES Project by performing the following:
 - i. Obtained the functional capabilities, non-functional capabilities, project enabler documents and the 3 December 2024 Technical Committee documents for the CHES Project which outlined the key product features for Release 1 and 2.
 - ii. For each of the capabilities and project enablers, reviewed the refreshed ASX Assurance Plan to identify whether the related assurance activity covered CHES Project related capabilities and enablers.
 - iii. The assessment outcome was based on the high-level topics described in the refreshed ASX Assurance Plan as detailed scope of future planned assurance activity has not been finalised at this stage. In addition, the ASX Assurance Plan for Release 2 covers assurance activities until 2027 and therefore the scope of certain assurance activities planned for was limited to design assessment (i.e. data migration) in line with the project time frames.
- d. **External review report** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan proposed reviews cover the risks associated to the external review report recommendations in the context of the CHES Project. We

reviewed the recommendations included in the external review report to determine whether the risks that these recommendations were aiming to address were considered in the design of the ASX Assurance Plan. The mapping performed was not intended to map in detail the recommendations, the corresponding ASX actions, and the completed or ongoing assurance reviews outside of the ASX Assurance Plan to conclude on whether these specific actions were addressed. ASX reported that the implementation of the actions to address all external review report recommendations were the subject of independent external assurance that had either been completed as part of the 'Define and Plan' Phase review (December 2023) or via independent review through the ASX Delivery Excellence (DE2) project completed in Q3 2024.

- e. **Trade outage independent expert review report** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan proposed reviews covered the risks associated to the trade outage independent expert review recommendations in the context of the CHES Project. We compared the CHES Project relevant items from the trade outage independent expert review recommendations against the ASX Assurance Plan reviews.
- f. **Previous assurance plan reviews** - The objective of this mapping was to determine at a high level how the Assurance Plan proposed reviews covered the topics and risks associated to the findings of prior Assurance Plan reviews in the context of the CHES Project. We compared the findings and/or recommendations raised in the ASX Assurance Plan of the previous solution against the current ASX Assurance Plan proposed reviews.
- g. **Previous licence conditions reports** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan proposed reviews covered the risks associated to the findings of previous license conditions and related reports in the context of the CHES Project. We reviewed the recommendations from the previous license condition reports and assessed whether these were considered in producing the

current ASX Assurance Plan, determining the coverage of risks associated to the recommendations raised.

- h. **Define and Plan phase independent report** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan proposed reviews cover the ongoing risks associated to those raised and closed during the 'Define and Plan' review. We compared the ASX Assurance Plan activities against the risks identified in the ASX CHES Project 'Define & Plan' phase Final Report.
- i. **Expectations of the industry** - The objective of this mapping was to determine at a high level how the ASX Assurance Plan mapped activities that would cover the expectations of the industry participants. To gather the expectations of the industry, in addition to our attendance at Business Committee and Technical Committee and industry consultation documents, we sampled 12 industry participants from a mix of organisations, including representatives from clearing and settlement participants, settlement-only participants, registries, vendors and industry associations. 11 of 12 samples had met with EY. From our interviews, we identified themes and compared the ASX Assurance Plan activities against the expectations raised by the industry participant samples.

The assessment outcomes above were based on the high-level topics described in the ASX Assurance Plan as detailed scope of each assurance activity has not been finalised at this stage.

While not explicitly included in the Release 1 Project Health Check reviews coverage so far, the ASX Assurance Plan covered certain aspects of the project health such as risk management and decision governance in individual assurance reviews. The Primary Assurance Provider and the [REDACTED] also attend [REDACTED]. In addition, following a rotational approach over review topics for health-check assessments, while governance effectiveness and vendor management had been covered in the Project Health Check 1, these were not included in the Release 1 Project Health Check 2 scope. As at the date of drafting this report, the ASX Assurance Plan was yet to scope

the topics for the CHES Project Health Check. A range of factors, including the following below would be considered in the scoping of the review for Release 1 topics:

- ▶ Internal communications
- ▶ Scope areas not covered in prior Release 1 Health Checks, as relevant
- ▶ Review of relevant findings from prior Release 1 Health Checks

Considering that next Project Health Check is the last one planned before Release 1 Go-Live, we expect ASX to consider the overall risk management processes of project delivery and delivered risks, including those risks associated with ASX and their third parties in the coverage of the CHES Project Health Check scope.

For the completed assurance reviews, the detailed scope and timing are further assessed in section 3.4 Completed ASX Assurance Plan Reviews of this report. For future assurance reviews, EY will perform an assessment of the detailed scope in our next report due on 31 December 2025.

1.B Nature and extent of assurance activities. Assessed the updated proposed high-level scope of individual reviews to determine whether they were planned with the appropriate depth to achieve the expectations and objectives of the ASX Assurance Plan for Release 1.

Context

The refreshed ASX Assurance Plan for Release 1 contained indicative scope and timetable for each of the planned reviews per the topics described on section 1.A above.

The updates to future assurance reviews in the ASX Assurance Plan for Release 1 included a high-level view on the topic, identified accountable parties for each review and the proposed assurance provider.

Closer to the commencement of the planned assurance reviews, ASX will finalise the detailed scope. This will be conducted through collaborative effort between the [REDACTED], accountable parties (i.e., business stakeholders acting as stream owners who apply their knowledge on the topic and subject matter expertise), and the relevant external or internal assurance provider.

Findings

We assessed the topics covered in the indicative scope included in the refreshed ASX Assurance Plan for Release 1 against our methodology, project risks, project business enablers and capabilities, and common industry practices. We have not identified any findings in our assessment with the nature and extent of the ASX Assurance Plan review topics.

The ASX Assurance Plan considered risks identified by the CHES Project and mapped them to assurance reviews in the ASX Assurance Plan for Release 1 to determine whether risks were addressed (refer to 1.A for the results of our mapping of existing project risks to ASX Assurance Plan for Release 1).

The ASX Assurance Plan established targeted assessments across the key areas identified for Release 1, including targeted reviews scheduled in consideration of key project milestones and are focused on identified key areas of risk (refer to 1.C Timing of assurance activities). ASX Assurance Plan governance and change management processes are in place to address any potential challenges with the delivery of the reviews (refer to 3.3 Governance over the ASX Assurance Plan).

For completed assurance reviews during the six-monthly reporting period, EY assessed the nature and extent of the assurance reviews (refer to 3.4 for the results of our procedures). For future reviews, EY will assess the nature and extent of the completed ASX Assurance Plan for Release 1 reviews in our future reports.

1.C Timing of assurance activities. Assessed the adjusted proposed timing for the reviews in the ASX Assurance Plan for Release 1 to determine whether they had been scheduled at the right time in alignment to when the associated project risks are more relevant.

Context

The refreshed ASX Assurance Plan for Release 1 contained indicative timetable for each of the planned reviews. Per discussion with key stakeholders, we noted that the assurance activities in ASX Assurance Plan for Release 1 were considered part of the critical path of the

project. The reviews had been scheduled in relation to key project milestones for Release 1 as it is shown on the project plan (Appendix A).

Findings

We assessed the timetable proposed in the ASX Assurance Plan for Release 1 against key CHES Project Release 1 milestones to determine whether they were scheduled at the right time in alignment to when the associated project risks were more relevant. The objective of this mapping was to determine the alignment of the ASX Assurance Plan proposed reviews to key project milestones defined by the CHES Project. We have compared the activities included in the ASX Assurance Plan against project milestones to determine whether they have been scheduled at the right time in alignment to when the associated project risks are more relevant, so the reviews are executed at the right time to provide the assurance inputs expected. Our assessment identified that assurance activities were scheduled in alignment to when the associated project risks were more relevant. While assurance activities were not explicitly tied to some project milestones, our assessment of the expected timing of the completion of these assurance activities found that relevant assurance activities will be completed in an appropriate time to assess key risks associated to the milestone.

For completed assurance reviews, we assessed the timing of the assurance reviews performed (refer to 3.3 for the procedures performed and the results). For future assurance reviews, we acknowledge that the timings were indicative and the ASX Assurance Plan will need to actively adapt to align to Release 1 planning changes. We will perform an assessment on any adjustments to the timing of assurance activities and potential impact to the effectiveness of the ASX Assurance Plan for Release 1 in our next reports, including for the assurance reviews that would impact the next industry activities for Release 1 such as AMO readiness and CHES User Clearing Regression Testing.

3.2 ASX Assurance Plan for Release 2

The objective of this area was to evaluate whether the ASX Assurance Plan for Release 2 was adequately designed to mitigate the risks associated with the nature, scale and complexity of the CHES Project Release 2. We acknowledge that the ASX Assurance Plan for Release 2 initially covers CHES Project activities for a two-year period up to June 2027. The table below shows the overall summary of the procedures performed and the coverage of the elements assessed in the ASX Assurance Plan for Release 2:

Assessment source	Number of elements assessed	Covered and scheduled	Partially Covered / Not covered ³
EY's Program Risk Management 'Cube' methodology	27	19	8
Project risks	33	33	0
Project and business enablers and capabilities / epics	49	49	0
Project milestones	19	14	5
External review report	45	34	10
Trade outage independent expert review report	66	60	6
Previous assurance plan reviews	166	111	50
Previous licence conditions reports	12	9	3
Define and Plan phase independent report	37	5	32
Expectations of the industry participants	12	11	1

³Due to the ASX Assurance Plan for Release 2 covering initially a two-year period there are a number of elements with partial coverage only or not covered as are related to project deliverables and milestones beyond that timeline. We will assess the coverage of those elements in our next reports.

Our procedures included the assessment of the following attributes:

EY Assessment Attribute	2.A	2.B	2.C.
Assessed as appropriate	✓	✓	✓

Legend: ✓ Attribute addressed / ⚠ Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

- 2.A. Coverage of assurance activities.
- 2.B. Nature and extent of assurance activities
- 2.C. Timing of assurance activities

2.A Coverage of assurance activities. Assessed how the ASX Assurance Plan for Release 2 was developed and reviewed the design and content to determine whether the scope breadth was appropriate and whether key topics were missing or not covered in the list of assurance reviews that integrate the plan.

Context

In developing the ASX Assurance Plan for Release 2, the following design principles had been applied by ASX:

- A top-down and bottom-up process which has considered the following, supplemented by regular observation of project planning and governance meetings:
 - The CHES Project Release 2's macro plan and anchor milestones, industry experience in assurance and assurance frameworks for reviewing major IT implementation projects, review topics from the previous project and Release 1 Assurance Plan, insights from Release 1 assurance activities, ASX management input, industry meeting material, ASX consultation responses, and the [REDACTED].
 - The CHES Project's identified risks, detailed project schedule, project planning information, meetings with the project delivery team, findings from prior reviews.
- A risk-based approach has been applied to develop the plan (review topics and timings) to support the coverage of key risks, and in consideration of important project milestones to build confidence in key stages and support decision-making.
- Inclusion of a mix of reviews across project governance and project management topics, delivery processes, technical solution, processes and controls, change readiness and implementation, and regulatory reviews.
- Review timing and sequencing has considered the need for some reviews to occur retrospective of key stages (or milestones) due to the nature of the review scope and desired coverage, and for others to either lead into key milestones, occur concurrently to project activities, or occur on a cyclical basis

- Resourcing approach that includes a primary assurance provider (for a range of review topics and continuity of oversight), as well as a small mix of independent internal (e.g., ASX Internal Audit) and external providers with specialist expertise for specific review topics, or where currently appointed for regulatory reviews.
- Development of the detailed scope and approach for review topics will take place as detailed planning occurs closer to the review timing and will consider current risks, project progress and management needs at the time. Review details included in the second half of the ASX Assurance Plan period, will be less firm being dependent on further detailed project planning and progress.
- Review timings are indicative and adjustments are expected based on project timings being confirmed, movements in the project schedule, and to adjust for peak project periods and priority reviews.
- The impact of assurance activities on project capacity will continue to be considered and managed and may result in adjustments to the ASX Assurance Plan.
- An annual review process (timing to be determined in 2026) will be used to evolve the ASX Assurance Plan as Release 2 progresses further detailed planning and delivery to ensure continued coverage of material risks, alignment to project progress and timings.

Findings

The ASX Assurance Plan for Release 2 integrated assurance activities to pertinent CHES Project Release 2 events up to June 2027.

The ASX Assurance Plan for Release 2 activities is consistent with our EY's Program Risk Management 'Cube' methodology (Appendix C) utilised as a benchmark and industry practices to develop program assurance activities in relation to major implementation projects. The ASX Assurance Plan for Release 2 considered topics that will cover the components of the EY Cube Methodology, the identified project risks, the project and business enablers and capabilities, and the findings and recommendations raised in the previous independent, external and assurance reviews. Refer to section 3.1 for the details of the assessments performed.

As the ASX Assurance Plan for Release 2 only covered up to June 2027, assurance activities related to project milestones related to go-live such as Organisational Change Management and Cutover and Support, and reviews of operating effectiveness of nonfunctional requirements and technical controls were not included in the list of assurance reviews to be performed. EY expects the ASX Assurance Plan to consider these in the next annual review, which will be assessed in our next reports.

2.B Nature and extent of assurance activities. Assessed the proposed scope of individual reviews to determine whether they were planned with the appropriate depth to achieve expectation and objectives of the ASX Assurance Plan for Release 2.

Context

The ASX Assurance Plan for Release 2 contained indicative scope and timetable for each of the planned reviews per the topics described on section 2.A of this report.

The ASX Assurance Plan for Release 2 included a high-level view on the topics, identified accountable parties for each review and the proposed assurance provider.

Closer to the commencement of the planned assurance reviews, ASX will finalise the detailed scope. This will be conducted through collaborative effort between the [REDACTED] accountable parties (i.e., business stakeholders acting as stream owners who apply their knowledge on the topic and subject matter expertise), and the relevant external or internal assurance provider.

Findings

We have assessed the topics covered in the indicative scope included in the ASX Assurance Plan for Release 2 against our methodology, project risks, project business enablers and capabilities, and common industry practices. We did not identify any significant findings in our assessment with the nature and extent of the ASX Assurance Plan review topics.

The ASX Assurance Plan considered risks identified by the project for Release 2 and mapped them to ASX Assurance Plan reviews to determine whether risks are addressed.

The ASX Assurance Plan for Release 2 established targeted assessments across the key areas identified, including targeted reviews scheduled in consideration of key project milestones and are focused on identified key areas of risk (refer to 2.C Timing of assurance activities). ASX Assurance Plan governance and change management processes are in place to address any potential challenges with the delivery of the reviews (refer to 3.3 ASX Assurance Plan governance processes).

ASX will finalise the detailed scope for reviews based on a defined planning cycle with the objective of defining review scopes that are relevant, timely and aligned to key risks. EY will assess the nature and extent of the ASX Assurance Plan for Release 2 reviews in our next report due 31 December 2025.

2.C Timing of assurance activities. Assessed proposed timing for the reviews in the ASX Assurance Plan for Release 2 to determine whether they were scheduled at the right time in alignment to when the associated project risks were more relevant.

Context

The ASX Assurance Plan for Release 2 contained indicative timetable for each of the planned reviews. Per discussion with key stakeholders, we noted that the activities of the ASX Assurance Plan for Release 2 were considered part of the critical path of the project. The reviews were scheduled in relation to key project milestones as it is shown on the project plan (Appendix B).

Findings

We assessed the timetable proposed in the ASX Assurance Plan for Release 2 against key Release 2 project milestones to determine whether they were scheduled at the right time in alignment to when the associated project risks were more relevant. Our assessment did not identify significant findings in relation to the timing proposed for the topics to review in the ASX Assurance Plan for Release 2. While assurance activities were not explicitly tied to some project milestones, our assessment of the expected timing of the completion of these assurance activities found that relevant assurance activities will be completed in accordance the milestone.

We acknowledge that the ASX Assurance Plan for Release 2 only covers CHESS Project activities up to June 2027. We will re-assess the timing of assurance activities tied to the CHESS Project milestones after June 2027 in the next annual review and our future reports.

We also acknowledge that the proposed timings were indicative at this stage and adjustments might be needed depending on the movements of the CHESS Release 2, and that looking forward the ASX Assurance Plan will need to actively adapt the activities of the ASX Assurance Plan for Release 2 to align to project future potential planning changes. We will perform an assessment on any adjustments to the timing of assurance activities and potential impact to the effectiveness of the ASX Assurance Plan in our next reports.

3.3 Governance over the ASX Assurance Plan

The objective of this area was to assess the established governance of the ASX Assurance Plan including change management and ongoing maintenance to determine whether adequate mechanisms were established and implemented for a rigorous governance around the ASX Assurance Plan activities. This included an assessment of the changes to the proposed timing of the assurance reviews to determine whether they had been performed at the right time in alignment to when the associated CHESS Project risks were more relevant, so that they continue to provide the assurance inputs expected.

Our procedures included assessments of the following:

- 3.A. Progress of assurance activities against the planned timelines.
- 3.B. Change management process over the ASX Assurance Plan.
- 3.C. Monitoring and reporting processes for the ASX Assurance Plan.
- 3.D. Governance processes over agreed management actions and closure of findings raised by assurance reviews.
- 3.E. Ongoing evaluation of the assurance providers' independence.
- 3.F. Remedial actions from historical reviews.

Context

[REDACTED] is accountable for the ASX Assurance Plan. A dedicated resource [REDACTED] is assigned to perform day-to-day operational activities of the ASX Assurance Plan.

The PAF meets on a monthly basis and is accountable for steering the successful development and delivery of the ASX Assurance Plan for the duration of the CHESS Project. The PAF's accountabilities include:

- Ensuring assurance review topics are aligned to material risk and key project timing.
- Approving the scope of work, assurance providers, and timing for each review.
- Overseeing that appropriate action plans are developed and completed to address findings from reviews.
- Approving any changes to the ASX Assurance Plan, such as changes to scope and schedule, topics and agreed action plans.

[REDACTED]

[REDACTED]

[REDACTED] The ASX Assurance Plan provides updates to the ASX Business Committee and the Technical Committee, as required.

In May 2025, ASX performed an annual review of the ASX Assurance Plan to:

- confirm that the ASX Assurance Plan for Release 1 remains current, covers key risk areas and is aligned to project timings; and
- progressively develop the ASX Assurance Plan for Release 2 following industry consultation and ASX approval processes in late 2024.

Any changes to the ASX Assurance Plan is governed through the PAF. Our assessment of the results of the annual review are documented in Sections 3.1 and 3.2 above.

Findings

At the time of this report, the CHES Project Release 1 was engaged in the process of internal ASX testing and was in the process of preparing for the opening of Release 1 AMO Readiness and Clearing Regression Phases. On the other hand, the CHES Project Release 2 was ramping up its activities with Release 2 Drop 1 business requirements completed, and Release 2 Drops 2 and 3 in the process of drafting its requirements. The ASX Assurance Plan will face increased activity and complexity in parallel to CHES Project activities and associated risks in the coming months. We will continue to assess the governance processes over the assurance activities in our next six-monthly reports.

The table below summarises the results of our assessment per attribute for this six-monthly period.

EY Assessment Attribute	3.A	3.B	3.C	3.D	3.E	3.F
Assessed as appropriate	✓	✓	✓	✓	✓	✓

Legend: ✓ Attribute addressed / ⚠ Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

3.A - The progress of assurance activities against the planned timelines

We assessed the completed assurance reviews against the planned timelines and found that the planned assurance reviews met the mapped milestones for the 7 completed reviews.

3.B & 3.C - The change management process and the monitoring and reporting processes for the ASX Assurance Plan to the governance forums

Our procedures included assessing the [REDACTED] [REDACTED] [REDACTED] [REDACTED] as well as attending as observers at the [REDACTED] in the Report period except in February 2025. Our procedures also included inquiring [REDACTED] [REDACTED] and inspecting available artefacts to validate the monitoring performed for the ASX Assurance Plan's scope, approach, results and performance of the assurance reviews.

Since our report in December 2024, there were further changes made to the assurance review timing, scope and anchored CHES Project milestones. Changes to the ASX Assurance Plan from January 2025, including the ones below, [REDACTED]:

- Timing of the Release 1 Business Process Risk and Control Assessment (BPRA) Review was adjusted to April to May 2025 from the indicative timing of February to March 2025 and then further end date for the review was extended to June 2025 due to extended project timings for the [REDACTED].
- The timing of the Release 1 System security requirements review (Part 1 and Part 2) was extended and the final report was provided in early May, from the originally planned mid-April.
- Timing of the Release 1 Industry Readiness Activities was adjusted to start in May 2025 and end in January 2026 from the indicative timing of April to December 2025 and will be delivered in two parts per the refreshed ASX Assurance Plan Release 1.

- d. Timing to complete the remaining penetration testing (internal UI) was adjusted to May - June 2025 from the indicative timing of January 2025 due to functionality not being available in January 2025.

We found that ASX established a formal process for the following key aspects surrounding the governance and maintenance of the ASX Assurance Plan:

- a. Roles and responsibilities in relation with the ASX Assurance Plan and its maintenance, including ownership, day-to-day operational activities, and governance forums.
- b. The process of maintaining the ASX Assurance Plan, including frequency of periodic review and approvals required for changes to the ASX Assurance Plan such as scope and timing.
- c. Reporting of progress and escalation in relation to the ASX Assurance Plan, including reporting to the [REDACTED]
[REDACTED]
[REDACTED]
- d. Requirement for the assurance providers to manage independence and conflicts of interest.

We understand that the work to design, test, and record controls relevant to the implemented Release 1 solution in the relevant business-as-usual (BAU) risk profiles is an activity that will be performed by the relevant first-line risk teams as the project progresses. The completion of this activity will comprise the baseline of controls expected to be operating effectively within the business processes at go-live. ASX's Assurance Plan assurance reviews cover a broad range of topics across the categories of project governance and management; delivery processes; the technical solution; business processes; change, readiness and implementation activity; and regulatory related reviews. The scope of most assurance reviews completed during this Report period were design reviews focused on non-functional requirements related to security, resiliency, capacity and performance, data migration processes, core application and interface controls, which were evaluated against discrete documentation available, such as existing ASX frameworks, policies and procedures, industry practices and assurance provider proprietary frameworks and methodologies.

As the ASX Assurance Plan continue to mature, and as the complexity of the CHES Project increases with the go-live for Release 1 approaching and the activities for Release 2 scaling up, we expect that a clear mapping is established between the baseline of controls and the coverage of the assurance activities.

3.D - The governance processes over agreed management actions and closure of findings raised by assurance reviews

As at 7 May 2025, the ASX Assurance Plan has raised a total of 13 findings from its commencement. As at date of this Report, a total of 11 findings had been closed by the ASX Assurance Plan, of which nine were closed during the period. Refer to Appendix A for ASX's summary of completed reviews and findings as at 7 May 2025.

We assessed whether the management actions and timelines, in response to the recommendations, were appropriate and whether these management actions are appropriately tracked and closed. At the time of drafting this report, assurance providers had identified findings and recommendations for eight of 15 completed assurance reviews.

For this report, we assessed the management actions for a sample of five findings raised which were addressed by the CHES Project during the reporting period. The assurance providers confirmed that the closure was appropriate, and we assessed the closure process, including through inspecting the underlying evidence for appropriateness.

We had no material exceptions in our testing.

Given the increasing volume and complexity of Release 1 and Release 2 assurance activities, we recommend that the ASX consider reconfirming the process and controls over the closure of assurance findings and recommendations.

This could include implementing a documented process and control for the assurance providers' assessment of proposed management actions in response to recommendations, the nature, timing and extent of assurance provider assurance of implementation of actions, and the nature of evidence retained by ASX Assurance Plan to support closure.

In March 2025, with the opening of the ITE environment, the ASX Assurance Plan raised an improvement opportunity related to the implementation event recommending that updates are provided to the

3.E - The ongoing evaluation of the assurance providers' independence

- a. Performing inquiries with the [REDACTED] of the primary assurance provider to confirm that there were no new engagements undertaken by the primary assurance provider that created perceived or actual conflicts of interest, and that all engagements were deliberated through the [REDACTED] to prevent any conflict of interest or independence issues.
- b. Other external assurance providers confirmed their independence and included an independence and conflict of interest clause in the

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Our assessment included assessing the completed assurance reviews to determine whether they considered the remedial actions from historical reviews in the performance of their procedures.

3.4 Completed ASX Assurance Plan Reviews

The objective of this area was to assess whether the completed ASX Assurance Plan reviews addressed the following attributes:

- ## Findings

Assurance Plan review	4.A	4.B	4.C	4.D	4.E
Release 1 Requirements and Design Process Review	✓	✓	✓	✓	✓
Release 1 Platform Penetration Testing - Part 1 (ITE review)	✓	✓	✓	✓	✓
Release 1 Test Policy and Standards Assessment (Part 2)	✓	✓	✓	✓	✓
Release 1 CRESS R Application and Interface Controls - design effectiveness	✓	✓	✓	✓	✓

Assurance Plan review	4.A	4.B	4.C	4.D	4.E
Release 1 Resiliency, Capacity and Performance Review Part 1	✓	✓	✓	✓	✓
Release 1 System Security Requirements Review Part 1 & 2	✓	✓	✓	✓	✓
Release 1 Data Migration Processes (Part 1)	✓	✓	✓	✓	✓

Legend: ✓ Attribute addressed / 🟡 Attribute partially addressed / ✗ Attribute not addressed / N/A Attribute not applicable

For each of the completed ASX Assurance Plan reviews, the [REDACTED] [REDACTED] were prepared by the Assurance Providers.

The [REDACTED] outlines the objective, scope, approach, timeline, assurance provider, and deliverables. In conducting the reviews, applicable findings and recommendations from previous reviews were considered.

The [REDACTED] contained the outcome of the procedures performed, findings, recommendations, and improvement opportunities.

4.A Scope aligns to the ASX Assurance Plan.

Our assessment found that the detailed scope of the assurance reviews were appropriate and aligned to the objectives of the ASX Assurance Plan and CHES Project risks coverage.

There are a number of reviews for which the coverage of the scope will be tested iteratively, such as ASX Test Policy and standards assessment for Release 1 (3 stages), Release 1 Data Migration Processes (2 parts), Release 1 System Security Requirements (3 parts), Release 1 Platform Penetration Testing (2 parts, with part 1 split into 2), and Release 1 Resiliency, Capacity and Performance Review (2 parts), among others.

Our assessment found that five of the seven reviews in this period focused on the assessment of the design of processes and controls across different review topics. For three (Release 1 Platform Penetration Testing Part 1, Release 1 Data Migration Part 1, Release 1 Resiliency, Capacity and Performance Part 1) of seven assurance reviews, assurance providers were not able to cover the totality of the planned scope as some project outcomes were not ready yet for review. Agreed out of scope areas are documented in [REDACTED]

[REDACTED] and tracked for future review planning, management and coverage purposes. While those aspects have not been raised as findings by the assurance reviews as they were deemed to have no impact on project delivery, we expect the ASX Assurance Plan to incorporate in the scope of subsequent reviews as appropriate.

The ASX Assurance Plan has also considered the lessons learned from the completed ASX Assurance Plan for Release 1 assurance activities and applied it to the timings of the assurance activities for ASX Assurance Plan for Release 2.

4.B Approach is reasonable to achieve scope.

Our assessment of the [REDACTED], as well as meetings with the assurance providers, found that for the seven completed reviews, the nature and extent of the procedures performed were appropriate to achieve the expectations and objectives of the review.

The assurance providers performed interviews with key relevant stakeholders to gain an understanding of the CHES Project and relevant risks, inspected relevant artefacts and observed CHES Project meetings to perform their review and conclude on the results of their review.

4.C Capacity and capability of team match scope and approach.

Our workshops with the primary assurance providers and internal and external assurance providers, as well as the inspection of the assurance review team lead and members, found that for the seven completed reviews, the capacity and capability of the assurance provider that performed the individual assurance review were commensurate with the requirements of the individual review performed.

The assurance providers deployed resources with the necessary skills and expertise to perform the assurance reviews.

4.D Deliverables and level of detail are clearly defined.

We assessed the [REDACTED] and complemented our understanding through discussions with the relevant assurance providers

We found that for the seven completed reviews, the [REDACTED] provided sufficient level of details to allow us to understand the scope of the reviews, approach and procedures performed, findings and recommendations, conclusions reached and the supporting evidence assessed.

4.E Appropriateness and relevance of findings and recommendations in relation to the procedures executed and the risks intended to be covered

Our assessment of the [REDACTED] found that findings and recommendations identified by the assurance reviews were relevant to the risks intended to be covered by the assurance review and procedures performed. We will continue to assess the completed assurance reviews in accordance with the criteria set above in our next six-monthly reports.

3.5 Industry participant interviews

As part of our procedures for the 30 June 2025 reporting period, EY selected 12 industry participants to obtain an understanding of their view of the CHES Project risks, readiness and project health over the period. This is done through interviews in person or virtually over video meetings. We gathered the following information from the industry participants during the meetings:

- a. Perspectives on the progress of CHES Project (Release 1 and Release 2).
- b. The key risks and priorities for successful CHES Project.
- c. Key considerations on project scope and approach, implementation timeline, industry testing and industry readiness for go-live.
- d. Feedback on industry engagement processes established by ASX, including consultation processes and effectiveness of forums and communication channels established.
- e. Expectations for the ASX Assurance Plan.

Of the 12 sampled participants, 11 of the 12 chose to participate. The details of the industry participants we were able to interview are detailed

in Appendix E. Overall, the industry participant representatives raised the following topics:

- a. Industry engagement effectiveness, improvements and challenges. This includes finding the balance between sufficient engagement and market fatigue, frequency and extensiveness consultation, industry participant diverse agendas, and the role of the Advisory Group.
- b. Industry testing timelines and requirements, including timeframes for comprehensive industry participant testing, clarity on industry testing requirements.
- c. Industry resource planning challenges stemming from various factors such as testing requirements, necessary build process and testing timeframes.
- d. Limited visibility on the Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP).
- e. Go-live approach and BCP strategy.
- f. Increased complexity for the CHES Project should there be further customisations introduced.
- g. Impact to the Australian market as a result of timing of the T+1 implementation.

We considered the voice of the customer feedback in our assessment of the ASX Assurance Plan and determined that each item was covered in the go forward plan.

Appendices

Appendix A ASX Assurance Plan for Release 1

The ASX table below depicts the activities scheduled in the refreshed ASX Assurance Plan for Release 1 [REDACTED]
[REDACTED]

[REDACTED]

CHESS Release 1 Assurance Plan - High level description of the reviews, dates and assurance providers

Review timings are indicative and have been developed in consideration of important project milestones. Review timings will be adjusted based on movements in the project schedule.

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
May 2024 (complete)	Project Governance and Project Management	Light Health Check (Sentiment survey)		Internal stakeholder sentiment on likely success	ASX Internal Audit	
Nov 2024 (complete)	Project Governance and Project Management	Project Health Check 1		Key project governance and project management controls, vendor management and governance processes aligned to requirements, ways of working, [REDACTED]	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
¹ Topic selection is agreed through governance processes with a focus on topics most relevant to reducing delivery risk or building confidence in key stages and/or decision making. Topic selection will consider project progress, status and key risks. Health checks may also be used to deep dive into an emerging area of concern and provide insight for pivoting the assurance plan if required						
Jun 2025	Project Governance and Project Management	Release 1 Project Health Check 2		Key project governance and project management controls, vendor management and governance processes aligned to requirements, ways of working, status of delivery	Primary Assurance Provider	
Nov 2025	Project Governance and Project Management	CHESS Project Health Check		Key project governance and project management controls	Primary Assurance Provider	
Sep 2024 (complete)	Delivery Processes	Release 1 ASX test policy and standards assessment		Quality of test strategy and test planning practises across functional and non-functional testing compared to internal ASX, and international / industry standards; the governance framework for	Other External Provider C	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		(Stage 1: Test strategy and test planning activities)		testing; and test design aligned to project risk and complexity		
Sep 2024 (complete)	Delivery Processes	Release 1 ASX Delivery Assurance Inflight Review 1		Alignment to ASX delivery standards	ASX Delivery Assurance	
Nov 2024 (complete)	Delivery Processes	Release 1 ASX Industry Test Approach and planning Review		Quality of approach and plan for the industry test phase and consideration of industry feedback	Primary Assurance Provider	
Dec 2024 (complete)	Delivery Processes	Release 1 Requirements and design process Review		Key delivery processes that form the basis for building and testing the replacement solution that meets functional and non-functional requirements	Primary Assurance Provider	
Feb 2025 (complete)	Delivery Processes	Release 1 ASX test policy and standards assessment		Quality of test plans and test execution practises compared to internal ASX, and international / industry standards; the governance framework for testing; and test planning and execution	Other External Provider C	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		(Stage 2: Test plans and test execution activities)		activities align with the test strategy		
Apr 2025 (complete)	Delivery Processes	Release 1 Data migration processes (Part 1: migration strategy including test approach, control requirements and design, data ownership)		The migration strategy and control design	Other External Provider B	
Sep 2025	Delivery Processes	Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)		Quality of test execution and test results reporting practises compared to internal ASX, and international / industry standards; governance framework for testing; and processes to test solution meets functional and non-functional requirements	Other External Provider C	
Oct 2025	Delivery Processes	Release 1 Data migration processes (Part 2: test activities and results)		Migration testing activities to verify the integrity of migrated data	Other External Provider B	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Nov 2024 (complete)	Technical Solution	Cloud Platform (Part 1: review of project management processes to manage delivery onto the cloud platform (and dependencies with Cloud Foundations project))		CHESS project activities are being well managed to support delivery of the new CHESS solution (services and controls) on cloud	Primary Assurance Provider	
Nov 2024 (complete)	Technical Solution	Release 1 Review of Proof of Technology (PoT) activities		Project management of PoT activities that are being used to provide an early indication for mitigating solution risk regarding how underlying technology services will scale and to build confidence in project delivery and timeframes	Primary Assurance Provider	
Feb 2025 (complete)	Technical Solution	Release 1 Resiliency, Capacity & Performance Review		The new CHESS platform and components meeting non-functional requirements for resiliency and recovery, latency, performance and	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		(Part 1: design review and test approach / plan)		scalability of the application and platform		

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Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Mar 2025 (complete)	Technical Solution	Release 1 CHES replacement application review – design effectiveness		Design effectiveness of key application system controls, key system interface controls and logical access security as specified through requirements, analysis and design documentation	ASX Internal Audit	
May 2025 (complete) Part 1: May 2025	Technical Solution	Release 1 System security requirements Review		New CHES system meets security requirements	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Part 2: Feb 2025		(Part 1: security design review)				
		(Part 2: interim review of security requirements implementation in industry test environment)				
Jan 2025 (FIX gateway - complete)	Technical Solution	Release 1 Platform Penetration testing (Part 1: against Industry test environment)				
Jun 2025 (BaNCS internal UI web interface)						

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Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jul 2025	Technical Solution	Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHES solution)		Design effectiveness of the services and controls supporting the new CHES solution on cloud	Primary Assurance Provider	
Nov 2025	Technical Solution	Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)		The new CHES platform and components meeting non-functional requirements for resiliency and recovery; reliability and availability; latency, performance and scalability of the application and platform	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Nov 2025	Technical Solution	Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)		New CHES system meets security requirements	Primary Assurance Provider	
Oct 2025 TBC	Technical Solution	Release 1 Penetration testing (Part 2: against Production environment)		New CHES solution is secure	Other External Provider A	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Oct 2025 TBC	Technical Solution	Release 1 CHESS replacement application review - operating effectiveness		Operating effectiveness of key application system controls, key system interface controls and logical access security evidenced through test plans and results	ASX Internal Audit	
Oct 2025	Technical Solution	Release 1 Cloud (Part 3: operational effectiveness and operational readiness)		Project and governance processes to assess and determine operational effectiveness and operational readiness, evidenced through test results, support processes and model	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
May 2025 (complete)	Processes and Controls	Release 1 Business process risk and control assessment process Review		Quality and effectiveness of the business process risk and control assessment process	ASX Delivery Assurance	
Dec 2025	Processes and Controls	Release 1 Operational processes and controls Review		Operational processes and controls for production	ASX Internal Audit	
Nov 2024 (complete)	Change, Readiness and Implementation Processes	Industry consultation processes (Release 1 and Release 2) Review		ASX engagement with external stakeholders on key elements of detailed design and implementation	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Dec 2025 (Part 1: Jul 2025) (Part 2: Dec 2025)	Change, Readiness and Implementation Processes	Release 1 industry readiness activities Review (Part 1: Support and Management of AMO Build and Test, Preparation and Management of AMO Readiness activities; and Planning and Design for other industry test phases. Excludes AMO Parallel Test and Dress Rehearsals) (Part 2: Planning and Design for AMO Parallel Test and Dress Rehearsals, and progress of AMO Accreditation, AMO Operational Readiness and early CHES User Clearing Regression test phases)		ASX planning, management and execution of activities and processes to support AMOs and Clearing participants being operationally ready for Release 1 go-live	Primary Assurance Provider	
Nov 2025	Change, Readiness and	Release 1 Incident playbook Review		Incident management planning and testing	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
	Implementation Processes					
Dec 2025	Change, Readiness and Implementation Processes	Release 1 Operating Model Review		Key OCM activities supporting ASX's internal readiness for the implementation of Release 1	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jan 2026	Change, Readiness and Implementation Processes	Release 1 readiness Review		Release 1 go live decision process, namely the processes to assess ASX, AMOs and Clearing participants are operationally ready for Release 1 go live; and the replacement system is reliable, secure, available and meets functional and non-functional requirements	EY	
Feb 2026	Change, Readiness and Implementation Processes	Release 1 Cutover and support processes Review		ASX operationally ready for go live deployment and post go-live support processes	Primary Assurance provider	
Jun 2024 (complete)	Regulatory	Independent assessment of		CHESS Project Assurance activities	EY	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		CHESS Project Assurance				
Dec 2024 (complete)	Regulatory	Independent assessment of CHESS Project Assurance		CHESS Project Assurance activities	EY	
Jun 2025	Regulatory	Independent assessment of CHESS Project Assurance		CHESS Project Assurance activities	EY	
Dec 2025 TBC	Regulatory	ASIC CS Services Rules – External Assurance Report Release 1		Compliance with CS Services Rule before making material changes to core clearing and settlement systems	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Dec 2025	Regulatory	Independent assessment of CHES Project Assurance		CHES Project Assurance activities	EY	
Mar 2026	Regulatory	Pre-Release 1 go-live report		CHES Project Assurance	EY	
Mar 2026	Regulatory	Pre-Release 1 go-live confirmation		Achievement of CHES Project assurance objectives, testing governance, go-live decision framework, governance over go-live weekend	EY	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jun 2026	Regulatory	Independent assessment of CHES Project Assurance		CHES Project Assurance activities	EY	
Oct 2026	Regulatory	Release 1 Post Implementation Review Report (6 months)		Outcomes and success of CHES Release 1, 6 months post delivery	EY	
Apr 2027	Regulatory	Release 1 Post Implementation Review Report (12 months)		Outcomes and success of CHES Release 1, 12 months post delivery	EY	

The below table outlines an extract of the completed ASX Assurance Plan reviews presented at [REDACTED].

Summary of completed reviews and status of findings

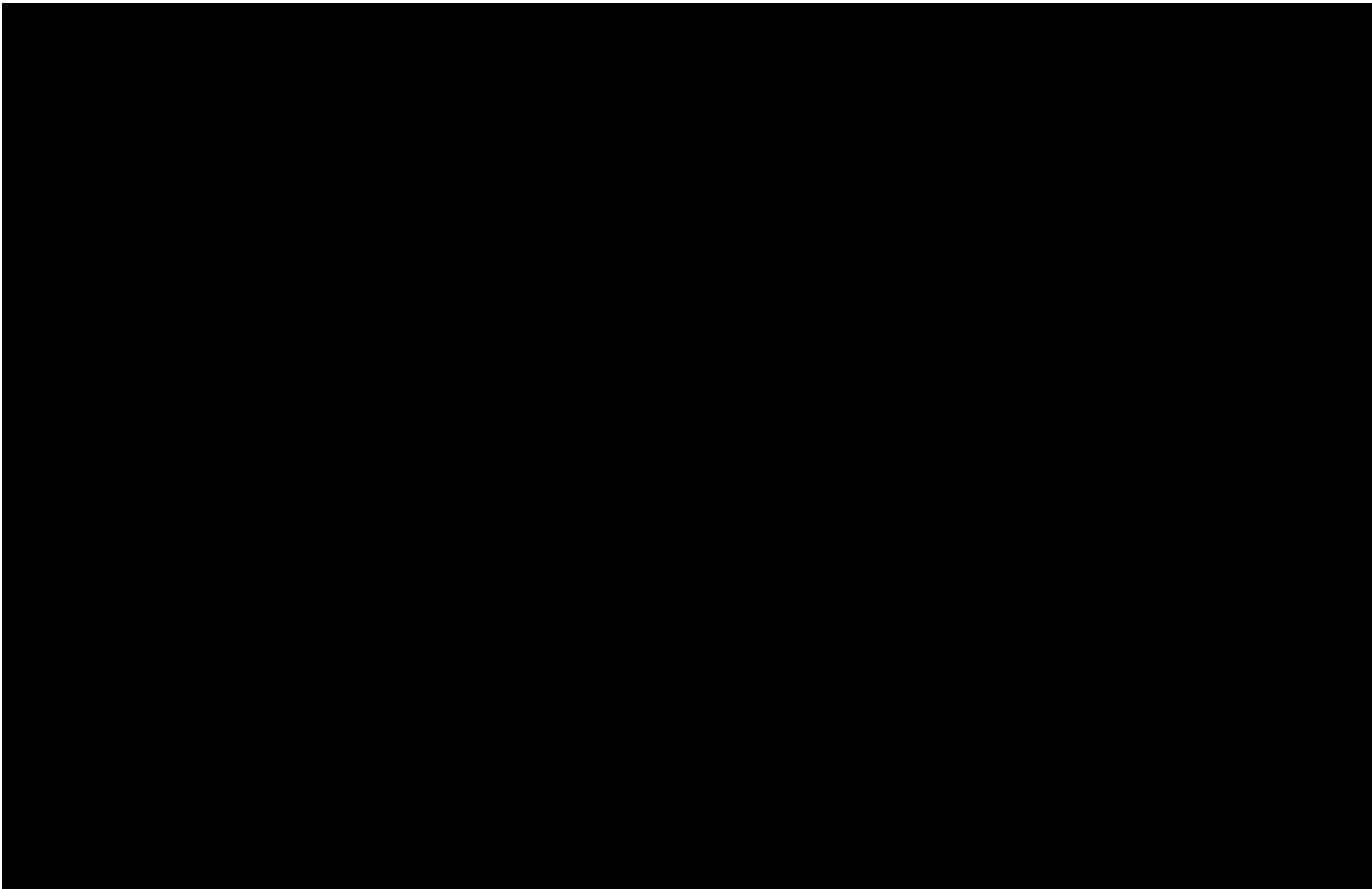
As at 7 May 2025, 16 reviews completed and 13 findings raised. Of these, 11 findings are closed and 2 findings are open (1 medium and 1 low rated)

Review	Provider	Completed
Release 1 Data Migration Processes - Part 1 Review	External Provider B	Apr 25
Release 1 CHESS Replacement Application & Interface Controls Design Effectiveness	ASX Internal Audit	Mar 25
Release 1 Resiliency, Capacity and Performance - Part 1 Design Review	Primary Assurance Provider	Feb 25
Release 1 ASX test policy and standards assessment - Stage 2 review	External Provider C	Feb 25
Release 1 Penetration Testing - Part 1 ITE Review	External Provider A	Jan 25
December 2024 Licence Condition Review	EY	Dec 24
Release 1 Requirements and Design Process Review	Primary Assurance Provider	Dec 24
Cloud Platform Part 1 Review	Primary Assurance Provider	Nov 24
Review of Proof of Technology Activities	Primary Assurance Provider	Nov 24
Project Health Check 1 Review	Primary Assurance Provider	Nov 24
Industry Consultation Process Review	Primary Assurance Provider	Nov 24
Release 1 ASX Industry Test Approach and Planning Review	Primary Assurance Provider	Nov 24
ASX Delivery Assurance Inflight Review 1 - Release 1	ASX Delivery Assurance	Oct 24
ASX Test policy and standards assessment for Release 1 - Stage 1 Review	External Provider C	Oct 24
June 2024 Licence Condition Review	EY	Jun 24
Light Health Check - Sentiment survey	ASX Internal Audit	May 24



Appendix B ASX Assurance Plan for Release 2

The ASX table below depicts the activities scheduled in the ASX Assurance Plan for Release 2



CHESS Release 2 Assurance Plan - High level description of the reviews, dates and assurance providers

Review timings and assurance providers are indicative. Review timings and details beyond 12 months are dependent on further detailed project planning and progress. Adjustments are expected as timings are confirmed and for movements in the project schedule.

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Nov 2025	Project Governance and Project Management	CHESS Project Health Check		Key project governance and project management controls, vendor management and governance processes aligned to size and complexity of the project, ways of working, status of delivery	Primary Assurance Provider	

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Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
¹ Topic selection is agreed through governance processes with a focus on topics most relevant to reducing delivery risk or building confidence in key stages and/or decision making. Topic selection will consider project progress, status and key risks. Health checks may also be used to deep dive into an emerging area of concern and provide insight for pivoting the assurance plan if required ² Scope management and Stakeholder engagement will be covered in the Release 2 Delivery Approach and Requirements & Design Process Review						
Jul 2026	Project Governance and Project Management	Release 2 Light Health Check (Sentiment survey)		Internal stakeholder sentiment and benchmarking on likely delivery success	ASX Internal Audit	
Nov 2026	Project Governance and Project Management	Release 2 Project Health Check 2		As per CHES Project Health Check	Primary Assurance Provider	
Jun 2027	Project Governance and Project Management	Release 2 Project Health Check 3		As per CHES Project Health Check	Primary Assurance Provider	
Aug 2025 TBC	Delivery Processes	Release 2 Independent Test Assessment (Stage 1: Test strategy and test planning activities)		Quality of test strategy and test planning practises across functional and non-functional testing compared to internal ASX, and international / industry standards; the governance framework for testing; and test design aligned to project risk and complexity	External Provider C	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Oct 2025	Delivery Processes	Release 2 Delivery Approach and Requirements & Design Processes Review		Project delivery planning and requirements and design processes are adequate and well managed	Primary Assurance Provider	
Feb 2026	Delivery Processes	Release 2 Independent Test Assessment		Quality of test plans and test execution practises compared to internal ASX, and	External Provider C	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		(Stage 2 - Part 1: Test plans and test execution activities)		international / industry standards; the governance framework for testing; and test planning and execution activities align with the test strategy		
Sep 2026 TBC	Delivery Processes	Release 2 Data Migration Design Review (Part 1)		Integrity of migrated data from source to target systems	External Provider B	
Oct 2026 TBC	Delivery Processes	Release 2 Independent Test Assessment (Stage 2 – Part 2: Test plans and test execution activities)		Quality of test plans and test execution practises compared to internal ASX, and international / industry standards; the governance framework for testing; and test planning and execution activities align with the test strategy	External Provider C	
Mar 2027 TBC	Delivery Processes	Release 2 Data and Reporting Review		The MVP scope for the Data Platform and design of the Data Framework is fit for purpose, dependencies with the [REDACTED] and business requirements are being managed effectively	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jul 2027 TBC	Delivery Processes	Release 2 Independent Test Assessment (Stage 3: test execution activities)		Quality of test execution and test results reporting practises compared to internal ASX, and international / industry standards; governance framework for testing; and processes to test solution meets functional and non-functional requirements	External Provider C	
Dec 2025	Technical Solution	Release 2 Security Design Review (Interim)		New CHESS solution meets security requirements	Primary Assurance Provider	
Jan 2026	Technical Solution	Release 2 Penetration Testing (ITE Open)		New CHESS solution is secure	External Provider A	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jul 2026 TBC	Technical Solution	Release 2 Architecture Tech Roadmap Review		Planning and delivery of the architectural roadmap and technical activities to meet project milestones	Primary Assurance Provider	
Sep 2026 TBC	Technical Solution	Release 2 Interoperability Review		<p>The technical capability to support interoperability has been built and tested</p> <p>Compliance toward the CS Services Rule related to Interoperability before making material changes to core clearing and settlement systems</p>	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Aug 2026 TBC	Technical Solution	Release 2 Penetration Testing (Drop to be confirmed)		New CHESs solution is secure	External Provider A	
Oct 2026 TBC	Technical Solution	Release 2 Security Design Review (Final)		New CHESs solution meets security requirements	Primary Assurance Provider	
Dec 2026 TBC	Technical Solution	Release 2 Resiliency, Capacity & Performance Design Review (Part 1)		CHESs platform and components meeting non-functional requirements for resiliency and recovery; reliability and availability; latency, performance and scalability of the application and platform	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Dec 2025 TBC	Processes and Controls	Release 2 Business Process Risk Assessment Review (Stage 1: Drop 1 & 2)		Quality and effectiveness of the business process risk and control assessment process	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Oct 2026 TBC	Processes and Controls	Release 2 Business Process Risk Assessment Review (Stage 2: Drop 3-5)		Quality and effectiveness of the business process risk and control assessment process	Primary Assurance Provider	
Aug 2027 TBC	Processes and Controls	Release 2 Operational Processes and Controls Review (Bus Ops and Tech Ops)		Operational and technology processes and controls for CHES user readiness testing phase	TBC	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Oct 2025	Change, Readiness and Implementation Processes	Release 2 Industry Test Approach Review		Quality of approach and plan for the industry test phase and consideration of industry feedback	Primary Assurance Provider	
Feb 2026	Change, Readiness and Implementation Processes	Release 2 ITE Implementation Readiness Review		Governance processes to assess readiness for implementation into the ITE and operational readiness for post implementation support	Primary Assurance Provider	
Dec 2026 TBC	Change, Readiness and	Release 2 Industry Readiness Review		Planning and design effectiveness of processes, tools and documentation to track, support and enable	Primary Assurance Provider	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
	Implementation Processes	(Stage 1)		industry progress and readiness		

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Mar 2027 TBC	Change, Readiness and Implementation Processes	Release 2 Incident Management Playbook Design Review (Part 1)		Incident management planning	Primary Assurance Provider	
Aug 2027 TBC	Change, Readiness and Implementation Processes	Release 2 Incident Management Playbook Testing Review (Part 2)		Incident management testing activities	Primary Assurance Provider	
TBC	Change, Readiness and Implementation Processes	Release 2 Target Operating Model Design Review		The design of the future state operating model is fit for purpose across each design layer	Primary Assurance Provider	

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Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Dec 2025	Regulatory	Independent assessment of CHES Project Assurance		CHES Project assurance activities	EY	
Jun 2026	Regulatory	Independent assessment of CHES Project Assurance		CHES Project assurance activities	EY	
Dec 2026	Regulatory	Independent assessment of CHES Project Assurance		CHES Project assurance activities	EY	
Jun 2027	Regulatory	Independent assessment of CHES Project Assurance		CHES Project assurance activities	EY	

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone

Appendix C EY Program Risk Management methodology

As an input to conduct our independent assessment of ASX's CHES Project's independent Assurance Plan, we have considered EY's Program Risk Management framework as a benchmark to assist with the completeness and coverage of risks associated to the project in support of our evaluation of whether the Assurance Plan is fit for purpose.

The 'EY Cube' methodology is utilised to support the analysis of program health across three interrelated domains:

- ▶ **Program Governance** - Specifies the governance structure and effectiveness, decision rights and accountability framework(s) to encourage the desired behaviour necessary to achieve the Program objectives. Governance related reviews typically focus on the design of program governance, decision-making, the business case definition (case for change) and benefits management.
- ▶ **Project Management** - The Program management approach and performance maturity must be aligned with the inherent program complexity. As part of this, project management areas typically focus on the Program's processes around managing scope, cost, time and change controls. Adequacy of Program's supplier/vendor performance and contract management can also be considered.
- ▶ **Technical Solution** - Assessment of the technical solution will provide a better understanding of the technical implementation approach and current state stability of the Program. Reviews can be solution specific functional and technical fit-for-purpose assessments (design and build) as well as areas relating to business requirements (including risks and controls where relevant), security, testing, data integration and cyber security services.

EY's Program Risk Management 'Cube' Methodology



As there is no single applicable international standard for this type of assurance (fit for purpose assessment of an assurance program), EY applies the EY Cube methodology, which is aligned with international standards on risk management and frameworks for the management of project risks such as the ones included in the table below:

International Standard	Year	Organisation	Description
Project Management Standards			
ISO 21500:2021 (second edition 2021-3)	2021	International Organisation for Standardisation (ISO)	Specifies the organizational context and underlying concepts for undertaking project, programme and portfolio management.
ISO 21502:2020	2020	ISO	Provides high-level descriptions of practices that are considered to work well and produce good results within the context of project management.
PMI Standard for Project Management 7 th Edition	2021	Project Management Institute (PMI)	Identifies project management principles that guide the behaviours and actions of project professionals and other stakeholders who work on or are engaged with projects.
PMI PMBoK Guide 7 th Edition	2021	PMI	Focuses on delivering outcomes regardless of the approach used by the project team.
PRINCE2 7 th Edition	2023	AXELOS	A structured project management method.
Other Relevant Standards on risk management			
NIST Special Publication 800-37 (Revision 2)	2018	National Institute of Standards and Technology (NIST)	Describes the Risk Management Framework (RMF) and provides guidelines for applying the RMF to information systems and organizations.
COBIT 2019	2019	ISACA	Framework for the governance and management of enterprise information and technology, aimed at the whole enterprise.
ISO 31000:2018	2018	ISO	Provides guidelines on managing risk faced by organisations.
Internal Control - Integrated Framework	2013	Committee of Sponsoring Organizations of the Treadway Commission (COSO)	Guideline for designing, implementing and conducting systems of internal control.
Information Technology Infrastructure Library (ITIL) v4	2019	AXELOS	Library of best practices for managing IT services and improving IT support and service levels.

Appendix D ASX Assurance Plan reviews to be assessed in the next six-monthly Report

The table below outlines the ASX Assurance Plan reviews we plan to cover in our next six-monthly Report due by 31 December 2025.

#	Indicative Review Dates	Review Name	Indicative Provider
Release 1			
1.	Jun 2025	Release 1 Project Health Check 2	Primary Assurance Provider
2.	Nov 2025	CHESS Project Health Check	Primary Assurance Provider
3.	Sep 2025	Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)	Other External Provider C
4.	Oct 2025	Release 1 Data migration processes (Part 2: test activities and results)	Other External Provider B
5.	Jun 2025 (internal UI)	Release 1 Platform Penetration testing (Part 1: remaining scope)	Other External Provider A
6.	Jul 2025	Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHESS solution)	Primary Assurance Provider
7.	Nov 2025	Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)	Primary Assurance Provider
8.	Nov 2025	Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)	Primary Assurance Provider
9.	Oct 2025 TBC	Release 1 Penetration testing (Part 2: against Production environment)	Other External Provider A
10.	Oct 2025 TBC	Release 1 CHESS replacement application review - operating effectiveness	ASX Internal Audit
11.	Oct 2025	Release 1 Cloud (Part 3: operational effectiveness and operational readiness)	Primary Assurance Provider
12.	May 2025	Release 1 Business process risk and control assessment process Review	ASX Delivery Assurance
13.	Part 1: Jul 2025	Release 1 industry readiness activities Review (Part 1: Support and Management of AMO Build and Test, Preparation and Management of AMO Readiness activities; and Planning and Design for other industry test phases. Excludes AMO Parallel Test and Dress Rehearsals)	Primary Assurance Provider
14.	Nov 2025	Release 1 Incident playbook Review	Primary Assurance Provider
Release 2			
15.	Aug 2025 TBC	Release 2 Independent Test Assessment (Stage 1: Test strategy and test planning activities)	External Provider C
16.	Oct 2025	Release 2 Delivery Approach and Requirements & Design Processes Review	Primary Assurance Provider
17.	Oct 2025	Release 2 Industry Test Approach Review	Primary Assurance Provider

Appendix E Interview list

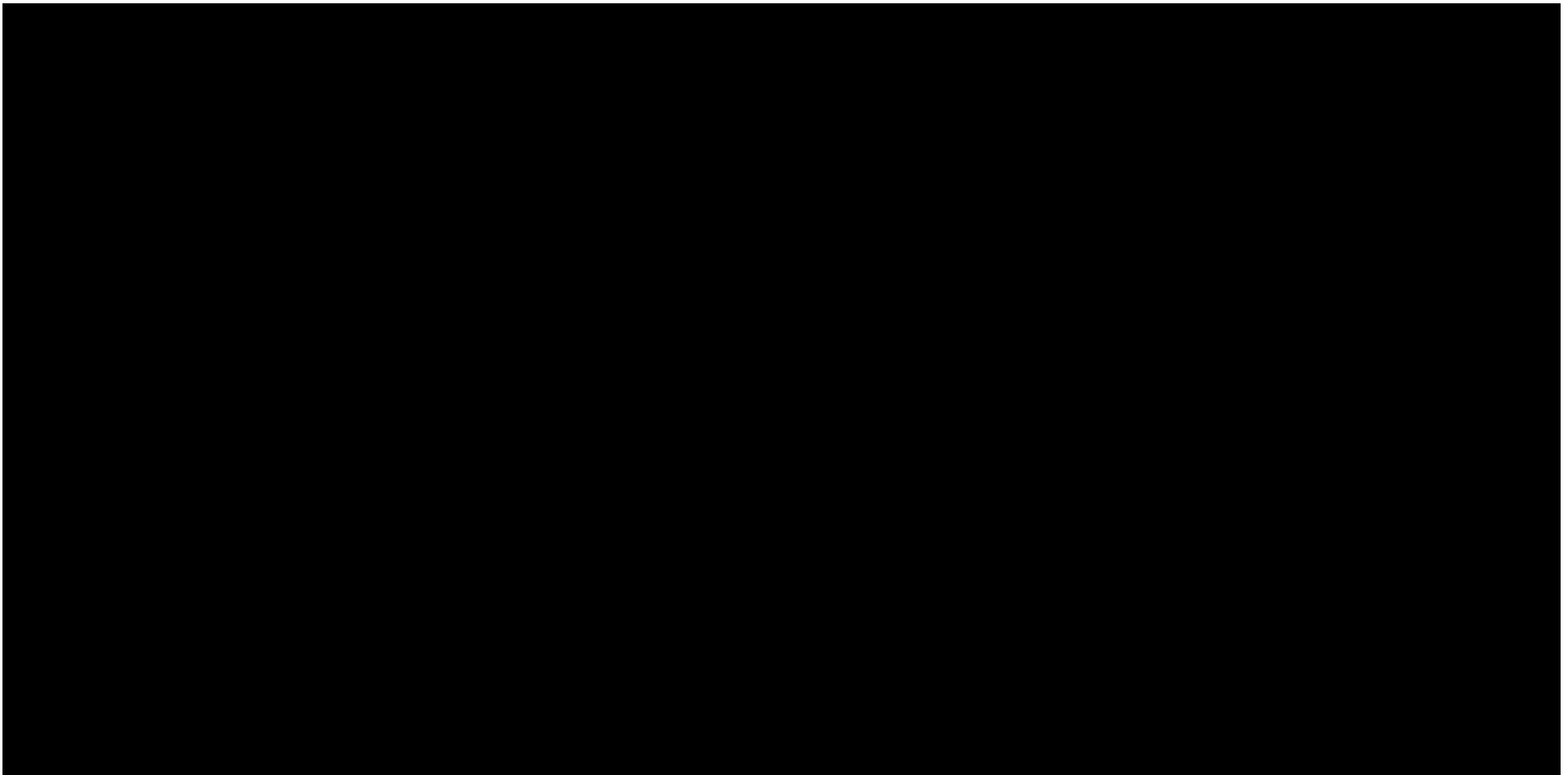
The below table outlines the interviews conducted with internal and external stakeholders:

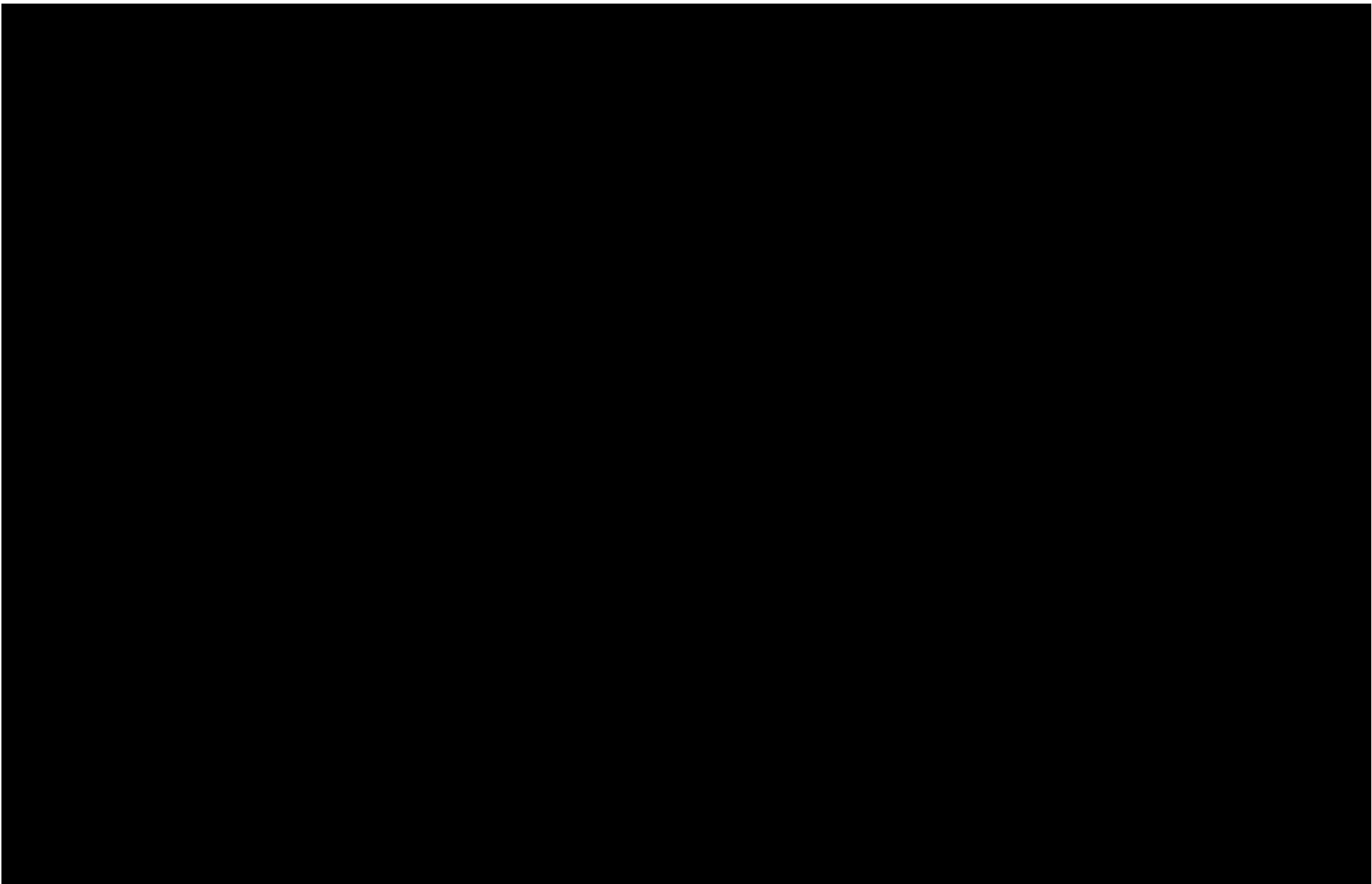
Interview list		
Stakeholder Group	Role	Date of interview
ASX Board representatives		3 June 2025
		20 June 2025
		27 May 2025
ASX executive management		23 May 2025
		30 May 2025
		4 June 2025
		27 May 2025
		14 May 2025
		28 May 2025
		2 June 2025
CHESS Project Delivery Partners	Solution provider	24 March 2025
	System integrator	25 March 2025
Assurance providers within the Assurance Plan	Primary Assurance Provider	2 April 2025, 21 May 2025, 6 June 2025
	ASX Internal Audit	4 April 2025, 16 April 2025
	Other Assurance Provider C	7 April 2025
	Other Assurance Provider B	27 May 2025
Industry participants		9 April 2025
		19 March 2025
		2 April 2025
		10 April 2025
		15 April 2025

			10 April 2025
			9 April 2025
			14 April 2025
			16 April 2025
			28 April 2025
			29 April 2025

For the purpose of the sixth six-monthly progress report, inputs from industry participants (voice of the customer) were obtained through the meetings with the representatives from a sample of industry participants, including AMOs, clearing and settlement participants, settlement-only participants, industry associations, and vendors, and EY observing Business Committee and Technical Committee meetings and their papers.

Appendix F Documents reviewed





Appendix G Release Notice

Ernst & Young ("EY") was engaged on the instructions of ASX Operations Pty Ltd ("ASX", "Client" or "you") to conduct an Independent Assessment of the CHES Project Assurance Plan ("Project"), in accordance [REDACTED]

The results of EY's work, including the assumptions and qualifications made in preparing the report, are set out in EY's report dated 30 June 2025 ("Report"). ASX and ASX's regulators ASIC and the RBA, should read the Report in its entirety including any disclaimers and attachments. A reference to the Report includes any part of the Report. No further work has been undertaken by EY since the date of the Report to update it.

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