

Independent Expert Report

Independent assessment of ASX Assurance Plan for
the CHES Project

Seventh Six-Monthly Progress Report

31 December 2025

Public Release Disclaimer

The findings contained in this Independent Expert Report are based on the findings of the report prepared at the request of ASX Limited solely for the purpose of providing an Independent Assessment of the CHES Project Assurance Plan and is not appropriate for use for other purposes. This Report is provided for information purposes only, in order to provide details of the findings reported to ASX Limited and should not be taken as providing specific advice on any issue, nor may this be relied upon by any party other than ASX Limited and ASX's regulators ASIC and the RBA. In carrying out our work and preparing this report Ernst & Young has worked solely on the instructions and information of ASX Limited and has not taken into account the interests or individual circumstances of any party other than ASX Limited and ASX's regulators ASIC and the RBA. Ernst & Young does not accept any responsibility for use of the information contained in this report and makes no guarantee nor accept any legal liability whatsoever arising from or connected to the accuracy, reliability, currency or completeness of any material contained herein. Ernst & Young expressly disclaims all liability for any costs, loss, damage, injury, or other consequence which may arise directly or indirectly for the use of, or reliance on, this Report.

Use of this Report by any party other than ASX Limited and ASX's regulators ASIC and the RBA is subject to the terms of the Release Notice contained within Appendix G.

The better the answer.
The better the world works.



Shape the future
with confidence

Table of contents

Table of contents	i
1. Executive Summary	1
1.1 Introduction	1
1.2 Scope	1
1.3 Approach	1
1.4 Our Conclusion	2
1.5 Our Assessment Summary	2
2. Introduction	7
2.1 Background	7
2.2 Scope	10
2.3 Approach	11
2.4 Limitations	12
2.5 Use and disclosure of our reports	13
3. Findings and Recommendations	14
3.1 Governance over the ASX Assurance Plan	14
3.2 Completed ASX Assurance Plan Reviews	19
3.3 Industry participant interviews	24
4. Release 1 Pre-Go Live Requirements	25
4.1 Release 1 Pre Go-Live Confirmation	25
4.2 Release 1 Pre Go-Live Report	25
Appendices	26
Appendix A Revised ASX Assurance Plan for Release 1	27

Appendix B ASX Assurance Plan for Release 248

Appendix C EY Program Risk Management methodology63

Appendix D ASX Assurance Plan reviews to be assessed in our next reports65

Appendix E Interview list66

Appendix F Documents reviewed68

Appendix G Release Notice70

1. Executive Summary

1.1 Introduction

CHES Project

CHES 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 CHES with a new technology solution ('CHES Project').

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

ASX Assurance Plan over CHES Project

On 13 June 2025, the refreshed Assurance Plan over the CHES Project ('ASX Assurance Plan') covering 33 Release 1 activities up to go-live and 27 Release 2 activities focused on anchor project milestones up to June 2027 was approved [REDACTED]

Since then, timing changes were made to eight Release 1 assurance activities and four Release 2 activities to reflect changes in the underlying internal CHES Project timeline. These changes were discussed and approved [REDACTED]. Additionally, [REDACTED] the descoping of the Release 1 component from the six-monthly CHES Project Health Check review and the deferral of the Release 2 project health check to a later date.

Since June 2025, six Release 1 assurance reviews and two Release 2 assurance reviews have been completed. At the time of this report there were ten inflight Release 1 Assurance Reviews. There are a further two planned Release 1 assurance reviews to be completed prior to Release 1 go-live.

1.2 Scope

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 CHES Project.

This Report

The objective of this report is to evaluate the governance processes over the ASX Assurance Plan and to assess the appropriateness of the completed ASX assurance activities during the six-monthly period to determine whether the ASX Assurance Plan continues to be fit for purpose.

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

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

1.3 Approach

We interviewed assurance providers, CHES Project and ASX Assurance Plan management and accountable executives, and selected ASX and Clearing and Settlement (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

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, except for one finding and recommendation below.

Finding and Recommendation

We have one finding and recommendation related to the Release 1 Data Migration Part 2 review in the period.

ASX has proposed an action for further assurance of migration key controls. We have assessed ASX's response and found that it will, if completed as intended, address our recommendation. We will assess this assurance activity and closure of the recommendation as part of our April 2026 R1 Pre Go-Live Report.

Focus Areas for R1

As Release 1 go-live approaches, we have identified areas for the ASX Assurance Plan to maintain focus on, which we will monitor as they roll-up into the Pre Go-Live confirmation and Pre Go-Live Report, including:

- 1.5.1 Release 1 Assurance Plan review timelines and completion ahead of go-live
- 1.5.2 Risk management process
- 1.5.3 Closure of ASX Assurance Plan findings
- 1.5.4 Operating effectiveness assessment as part of the Release 1 Assurance Plan, including out of scope items from prior completed reviews
- 1.5.5 Baseline of controls and the ASX Assurance Plan Input.

1.5 Our Assessment Summary

- ▶ 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:
 - 1.A. Progress of assurance activities against the planned timelines.
 - 1.B. Change management process over the ASX Assurance Plan.
 - 1.C. Monitoring and reporting processes for the ASX Assurance Plan.
 - 1.D. Governance processes over agreed management actions and closure of findings raised by assurance reviews.
 - 1.E. Ongoing evaluation of the assurance providers' independence.
 - 1.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	1.A. Planned Timelines	1.B. Change Mgmt	1.C. Monitoring and Reporting	1.D. Mgmt Actions and Closure of Findings	1.E. Assurance Provider Independence	1.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 the governance processes over the ASX Assurance Plan are appropriate.

1.5.1 Release 1 Assurance Plan review timelines and completion ahead of go-live

Our assessment of the changes to the timing of assurance activities and the milestones that they are anchored to, were supported by an adequate rationale in accordance with movements in the internal CHES Project timelines. During the period, project milestones relating to internal testing completion have been rescheduled to later dates, resulting in adjustment of ASX Assurance Plan activities. Eight Release 1 assurance reviews were delayed by one to up to four months, while four Release 2 assurance reviews that were planned to be completed within the period to June 2026 were delayed by one to up to six months. Additionally, [REDACTED] the removal of the Release 1 component from the CHES Project Health Check and the deferral of the Release 2 project health review to a later date on the basis that these changes were assessed as low risk and it was also acknowledged that these changes would help to reduce pressure on the Release 1 team ahead of go-live.

There are 12 assurance reviews related to Release 1 to be completed from the date of the completion of our fieldwork to Release 1 go-live. This timeline includes little to no contingency, increasing the risk that assurance activities may not be completed with the appropriate scope and approach, and the risk that the CHES Project may have insufficient time to address the findings raised prior to the key project milestones.

The ASX Assurance Plan is actively tracking a couple of risks related to this [REDACTED]

EY will closely monitor the timing of completion of the Release 1 ASX Assurance Plan activities as Release 1 approaches go-live.

1.5.2 Risk management process

In our previous report, we raised the expectation that risk management processes for delivery and delivered risks be considered under the Project Health Checks. While the overall application of the risk management framework to the CHES Project has not been reviewed holistically by the ASX Assurance Plan, the ASX Assurance

Plan perform activities to cover and assess risks individually during the assurance activities. These include:

- a. Performing procedures to assess appropriateness and timeliness of management actions of individual open risks relevant to the review scope of each report.
- b. Observing [REDACTED] meetings, where the CHES Project manages the risks and issues of the CHES Project.
- c. Risk related activities relevant to the design adequacy of Release 1 go-live decision framework will also be covered in the Release 1 Readiness Review as part of the ASX Assurance Plan. As part of additional requirements by ASIC, EY will evaluate the risk management process related to whether the Release 1 go-live decision framework has been followed.

The CHES Project follows the ASX Project Risk Management framework (PRMf). The CHES Project applied the PRMf by adjusting the residual risk ratings when the risk treatment or mitigation actions have been defined, and then further adjusting the residual risk when the risk treatment or mitigation actions have been executed.

By downgrading residual risks while mitigation actions are still underway, there is a possibility that the project's risk profile does not accurately reflect the current risk exposure. This may lead to key risks not being prioritised or impact the ability of stakeholders' decision-making process.

As part of the requirements of the Release 1 Pre Go-Live report, we will assess the processes used to close risk items, as well as evaluate the acceptance process of open risk items prior to Release 1 go-live. We will assess the outcome of CHES Project risk management processes as part of this scope, as they relate to readiness for go-live.

1.5.3 Closure of ASX Assurance Plan Findings

Our assessment included inspecting the [REDACTED] developed by the Assurance Plan in

response to our recommendation in the previous six-monthly report. This document has been discussed and agreed with the ASX Assurance Plan Sponsor [REDACTED] but not [REDACTED]. This document outlines the requirement and responsibility that assurance providers, except for Internal Audit who are required to comply with ASX Internal Audit procedures, validate closure of findings and document the work performed.

We understand that the ASX Assurance Plan’s process to close management actions and findings is to rely on the professional judgement of the assurance providers on what is required to be performed and sighted as evidence. Our assessment found that the assurance providers have inspected evidence to confirm the design of the new processes, as per the agreed ASX Assurance Plan process.

Based on the risk raised and the mitigating factors that were considered in the closure of the two sampled findings, we determined that the process undertaken were appropriate as there is no material risk posed to Release 1 go-live.

When findings raised by the ASX Assurance Plan are closed, we will assess how the ASX Assurance Plan tracked and closed findings in our next reports including the Release 1 Pre-Go live Report, placing focus on any medium or high rated findings.

Refer to section 3.1 for the detailed results of our assessment.

- ▶ Completed ASX Assurance Plan assurance reviews – Our assessment of the appropriateness of the eight completed assurance reviews in the period included the evaluation of the following attributes:
 - 2.A. Scope aligns to the ASX Assurance Plan,
 - 2.B. Approach is reasonable to achieve scope,
 - 2.C. Capacity and capability of team match scope and approach,
 - 2.D. Deliverables and level of detail are clearly defined, and
 - 2.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	2A. Scope alignment	2.B. Approach	2.C. Team capability	2.D. Deliverables	2.E. Findings and recommendations
Assessed as appropriate Current Period	8 out of 8	7 out of 8	8 out of 8	8 out of 8	8 out of 8
Assessed as appropriate total to date	23 out of 23	22 out of 23	23 out of 23	23 out of 23	23 out of 23

Our assessment found that the completed assurance activities were performed appropriately during the period, except for Release 1 Data Migration Part 2 review.

We found that the depth of the procedures performed partially met the objective to independently assess operating effectiveness.

Through inspection of the report and discussions with the Assurance Provider, it was observed that the procedures performed were to review the outcome of the activities performed based on the data migration procedures performed by the CHES Project team.

We found that these procedures appropriately included reviewing the Build Phase of the data migration requirements, including reconciliation and exception reporting, and monitoring and reporting of critical success factors.

However, the assurance procedures performed did not include independent testing of operating effectiveness of data migration controls to verify the completeness and accuracy of the migrated data.

ASX has proposed an action for further assurance of migration key controls scheduled for February 2026 as part of the planned Industry Dress Rehearsal assurance activities. We have assessed ASX’s response and found that it will, if completed as intended, address our recommendation and enable a fully met assessment.

1.5.4 Operating effectiveness assessment as part of the Release 1 Assurance Plan, including out of scope items from prior completed reviews

One of eight reviews in this six-month period focused on the design of processes and controls across the Release 2 industry test approach, with the operating effectiveness scope to be completed as part of subsequent reviews. Five of eight reviews included operating effectiveness in its scope, such as the code review performed for Release 1 cloud controls, the business process risk and control assessment process, the support and management of AMO build and test, the data migration processes for Release 1 and the delivery approach and requirements processes for Release 2. The other reviews focused on project management and security controls at the test environment.

In our assessment, we found that for the assurance reviews completed this period and in the prior periods, there were agreed out-of-scope areas that are expected to be covered as part of upcoming assurance activities. In addition, for Release 1 Cloud Part 2 review, the assurance provider was not able to cover the totality of the planned scope as there were areas not ready for review and as there was insufficient time and resources within the planned review timeframe to cover all the services in-scope based on needing to pivot the assurance approach to a code review.

Nine reviews to be completed prior to Release 1 go-live will cover operating effectiveness of Release 1 processes and controls, as appropriate, and we expect that the out-of-scope areas are covered in the upcoming ASX Assurance Plan reviews, including the scope not tested as part of the Release 1 Cloud Part 2 review.

While the ASX Assurance Plan is actively monitoring the agreed out-of-scope areas, we will keep focus on the completion of these assurance activities, the scope of the reviews and the completion of remediation of any findings raised as they might relate to the effectiveness of the processes or controls that need to be in place for the Release 1 go-live readiness.

1.5.5 Baseline of controls and the ASX Assurance Plan Input

We understand that the work to design, test, and record controls relevant to the implemented Release 1 and Release 2 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 and technology at go-live, as appropriate. 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.

Our previous report stated that we expect that a clear mapping is established between the baseline of key controls and the coverage of the assurance activities to provide stakeholders confidence in the go-live decision that Release 1 control environment achieves appropriate risk coverage. With Release 1 approaching go-live in a few months, we expect that the key controls required by the business or technology on Release 1 Day 1 are defined, designed and implemented, and tested for control effectiveness. Furthermore, we expect that an exercise be undertaken to identify changed controls and that these are tested for adequacy and operational effectiveness as they relate to Release 1 go-live readiness.

We will keep focus on the activities performed by ASX to confirm that key controls are identified, implemented and tested for effectiveness as they relate to Release 1 go-live readiness.

Refer to section 3.2 for the detailed results of our assessment.

Next steps

As the CHES Project Release 1 approaches its final milestones, we will keep 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.

We will monitor the delays to the internal CHES Project timeline and the completion of the Release 1 ASX Assurance Plan activities as well as any risks that may remain unaddressed prior to go-live.

Refer to Appendix D for the list of ASX assurance reviews we plan to assess in our next reports, including the Release 1 Pre Go-Live Confirmation, the Release 1 Pre Go-Live Report and the 30 June 2026 six-monthly report. We will continue to monitor changes to the ASX Assurance Plan.

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 is 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. ASX has announced that the Release 1 go-live will be in late April 2026.

With the scope of Release 1, this phase will mostly impact the Approved Market Operators ('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 4 June 2025 Technical Committee Paper, the following were communicated:

- Minor delays in Release 1 potentially impacting AMO readiness.
- Performance testing on 21 million trade load completed for Release 1.
- Clearing Regression design completed, with the approach agreed and socialised at the I&T Working Group.
- The Release 1 to-be production environment was provisioned, with deployment targeted mid-June for dress rehearsals in July.
- Release 2 Drop 1 specifications was in-progress.
- Release 2 Drop 2 and Drop 3 commenced.

In the 9 July 2025 Technical Committee Paper, the following were communicated:

- Release 1 AMO Readiness phase commenced on 7 July.
- Release 1 Cutover Approach was published on 26 June.
- Release 1 Operational Acceptance Testing (OAT) commenced.
- Release 2 Drop 1, Drop 2 and Drop 3 were in progress.

In the 6 August 2025 Technical Committee Presentation, the following were communicated:

- Release 1 AMO Readiness release deployed on 7 July, with patch releases on 11 and 28 July resolving known issues and enabled Alternate File Ingestion Interface.
- All functionality required for Release 1 AMO Accreditation made available to AMOs and AMO Software Providers.
- Release 1 Clearing Regression build and testing was in progress, with the project status still amber due to risk of insufficient time to complete testing.
- Release 2 Drop 1, Drop 2 and Drop 3 were in progress.

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

- Delivery pressure for Release 1 continued due to internal Clearing Regression testing and AMO Accreditation timelines.
- Release 1 AMO Accreditation commenced early September.

- Release 1 Clearing Regression build has been completed, with internal testing completion targeted for late September.
- First Release 1 ASX Dress Rehearsal held on 23 August with all cutover and rollback tasks completed.
- Release 1 Parallel Test Guide drafting was underway, with the external testing with AMOs scheduled for mid-November.
- Release 2 Drop 1, Drop 2 and Drop 3 were in progress.
- Release 2 Drop 1 User Technical Documentation was published on 29 August.

In the 8 October 2025 Technical Committee Paper, the following were communicated:

- Release 1 Clearing Regression phase commenced on 7 October, with the Clearing Participant trade upload tool and EIS messaging integration enabled.
- Second Release 1 ASX Dress Rehearsal was held on 20–21 September, with all internal cutover tasks completed as planned.
- Release 1 Parallel Test Guide published on 29 September. Clearing Participants were required to submit opt-in forms by 24 October.
- Release 1 Cutover Operating Model was published on 26 September, which extended the Release 1 Cutover Approach.
- Release 2 Drop 1 build completed in late September, with internal testing commenced in early October.
- Release 2 Drop 2 build commenced as planned.
- Release 2 Drop 3 in progress.
- Release 2 Industry Test Approach was published on 22 September.

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

- All Clearing Participants or their Software Vendors had connected to XP1 and were actively testing for the Release 1 Clearing Regression.
- The first Release 1 Implementation Dress Rehearsal with AMOs was scheduled for 15–16 November.
- Release 1 AMO Parallel Testing to commence on 17 November across two ten-day cycles.

- Release 1 Cutover Operating Model was published on 26 September, with a Monday rollback approach finalised mid-October and discussed with AMOs.
- Release 1 Internal Parallel Testing and Business Operations UAT were in progress, with completion targeted for mid-November.
- Release 2 Drop 1 codebase was deployed to ASX and global technology provider environments. Release 2 Drop 1 internal testing targeted for completion by late January 2026.
- Release 2 Drop 2 build was progressing with completion targeted for late January 2026.
- Release 2 Drop 2 User Technical Documentation was targeted for publication by late November.
- Release 2 industry timeline checkpoint survey published on 23 October with the initial results to be discussed in December.

ASX Assurance Plan

In June 2024, ASX 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.

The objectives of the ASX Assurance Plan as submitted [REDACTED] were:

The Assurance Program has been developed to support the project to meet its objective of the successful replacement and decommissioning of the current CHES system. The Assurance Program seeks to ensure that the new CHES system will be reliable, secure and available to the high standards that ASX and the industry expect, and that it meets functional and non-functional requirements.

The Assurance Program will also assist in identifying and mitigating risk to improve project delivery, providing confidence to internal and external stakeholders that the project is being well managed, and to provide input into decision-making at key project milestones including go-live readiness.

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

The objectives of the ASX Assurance Plan presented [REDACTED] were:

- To support the CHES project to achieve its objectives (successful replacement and decommissioning of current CHES) and assist in identifying and mitigating delivery risk; and
- To 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.

[REDACTED]

In September 2025, [REDACTED] changes to internal project timelines for CHES Release 1. As a result, eight Release 1 and four Release 2 assurance reviews within the period to June 2026 were rescheduled and will commence later than originally planned. These changes to the timelines of assurance activities [REDACTED].

While these Release 1 and Release 2 reviews will commence later than originally planned, the ASX Assurance Plan still expect them to be completed or provide the review results to the CHES Project prior to the project milestone completion.

Refer to section 3.1 for the list of impacted Release 1 and Release 2 reviews.

[REDACTED] removal of the Release 1 scope from the next CHES Project Health Check review (assessed as low risk based on prior coverage of topics, results of the prior review and there being no open

Health Check findings) and the deferral of the Release 2 Health Check scope to a later timeframe (assessed as low risk based on project status reported in September and October, the outcome of the Release 2 Delivery Approach and Requirements and Design Processes Review, and the Health Check not being dependent on a project milestone). It was also acknowledged that these changes would help to reduce the impact on the Release 1 team ahead of go-live. For the December 2025 reporting period, the following eight completed assurance reviews were performed by the primary assurance provider (five reviews), other external assurance providers (two reviews), and the ASX Delivery Assurance (one review):

1. Release 1 Business process risk and control assessment process Review
2. Release 1 Platform Penetration testing (Part 1: against Industry test environment)
3. Release 1 Project Health Check 2
4. Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHES solution)
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)
6. Release 1 Data migration processes (Part 2: test activities and results)
7. Release 2 Delivery Approach and Requirements & Design Processes Review
8. Release 2 Industry Test Approach Review

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 Appendices A and B for the list of assurance reviews completed and an extract of the results thereof reported in the [REDACTED].

At the end date of our fieldwork for this report (12 December 2025), there were 11 assurance reviews inflight :

1. ASIC CS Services Rules – External Assurance Report Release 1
2. Release 1 Penetration testing (Part 2: against Production environment)
3. Release 1 industry readiness activities Review (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)
4. Release 1 Cloud (Part 3: operational effectiveness and operational readiness)
5. Release 1 Incident playbook Review
6. Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)
7. Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)
8. Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)
9. Release 1 CHES replacement application review - operating effectiveness
10. Release 1 Operating Model Review
11. Release 1 Readiness Review

The following two Release 1 assurance reviews are planned to be completed prior to Release 1 go-live. These are:

1. Release 1 Operational Processes and Controls Review
2. Release 1 Cutover and Support Processes Review

We will assess these once they have been completed and consider their outcome in the next report required by the Regulators, the Release 1 Pre Go-Live Confirmation due in March 2026.

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. Governance over the ASX Assurance Plan
 - 1.A. 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 CHES Project risks were more relevant.
 - 1.B. 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.
 - 1.C. 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.
 - 1.D. 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.
 - 1.E. 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.
 - 1.F. Remedial actions from historical reviews. Assessing whether the remedial actions from historical reviews had been considered in the performance of the assurance activities.

2. Completed ASX Assurance Plan Activities

- 2.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 CHES Project risks coverage.
- 2.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.
- 2.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.
- 2.D. Deliverables and level of detail are clearly defined. Assessing whether deliverables were clearly documented.
- 2.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 completed ASX Assurance Plan reviews and related artefacts included the relevant [REDACTED] for the completed assurance reviews, [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 risks and priorities of the CHES Project, and 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 3.2 are the findings and recommendations in relation to our assessment of the governance processes for the ASX Assurance Plan and the completed assurance reviews in this period.

3.1 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 or are planned to be performed at the right time in alignment to when the associated CHES Project risks were more relevant, so that they continue to provide the assurance inputs expected.

Our procedures included assessments of the following:

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

Context

[REDACTED] is accountable for the ASX Assurance Plan. A dedicated resource [REDACTED]

[REDACTED] is assigned to perform day-to-day operational activities of the ASX Assurance Plan.

The CHES Project Assurance Forum ('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 CHES 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] It reports on the progress and any escalations as required to [REDACTED] the Regulatory Agencies (Australian Securities and Investments Commission ('ASIC') and the Reserve Bank of Australia ('RBA')), and the Cash Equities Clearing and Settlement Advisory Group ('Advisory Group'). The ASX Assurance Plan provides updates to the ASX Business Committee and the Technical Committee, as required.

Any changes to the ASX Assurance Plan are governed through the PAF.

Findings

At the time of the conclusion of our fieldwork, the CHES Project Release 1 was undergoing the Clearing Regression, performing the Industry Dress Rehearsal and AMO Parallel testing and was in the process of completing its testing activities, including user acceptance testing and operational acceptance testing.

CHES Project Release 2 activities had ramped up with build completed and deployed for Release 2 Drop 1, Release 2 Drop 2 business requirements completed and Release 2 Drops 3 and 4 business requirements on track.

With Release 1 go-live scheduled in late April 2026 and Release 2 activities ramping up, 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 focus on governance processes over the assurance activities in our next report for Release 1, the Release 1 Pre Go-Live Confirmation and for Release 2 in our next six-monthly report.

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

EY Assessment Attribute	1.A	1.B	1.C	1.D	1.E	1.F
Assessed as appropriate	✓	✓	✓	✓	✓	✓

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

1.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 eight completed reviews.

1.B & 1.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] as well as attending as observers at the [REDACTED] in the Report period except in July 2025. Our procedures also included enquiring [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.

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

- Roles and responsibilities in relation with the ASX Assurance Plan and its maintenance, including ownership, day-to-day operational activities, and governance forums.
- 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.
- Reporting of progress and escalation in relation to the ASX Assurance Plan, including reporting to the [REDACTED].
- Requirement for the assurance providers to manage independence and conflicts of interest.

Release 1 Assurance Plan timelines and completion

Since our report in June 2025, there were further changes made to the assurance review timing, scope and anchored CHES Project milestones. Changes to the ASX Assurance Plan from May 2025 [REDACTED]. The changes include:

Assurance Review Name	June 2025 ASX Assurance Plan indicative end dates	Current indicative end dates
1. Release 1 Penetration testing (Part 2: against Production environment)	October 2025 (To be confirmed ('TBC'))	December 2025 (TBC)
2. Release 1 Cloud (Part 3: operational effectiveness and operational readiness)	October 2025	December 2025
3. Release 1 Incident playbook Review	November 2025	December 2025
4. Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)	September 2025	January 2026
5. Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)	November 2025	February 2026
6. Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)	November 2025	January 2026
7. Release 1 CHES replacement application review -	October 2025 (TBC)	January 2026

Assurance Review Name	June 2025 ASX Assurance Plan indicative end dates	Current indicative end dates
operating effectiveness		
8. Release 1 Operational processes and controls Review	December 2025	January 2026(TBC)
9. Release 2 Independent Test Assessment (Stage 1: Test strategy and test planning activities)	August 2025 (TBC)	February 2026
10. Release 2 Security Design Review (Interim)	December 2025	March 2026
11. Release 2 Business Process Risk Assessment Review (Stage 1: Drop 1 & 2)	December 2025 (TBC)	June 2026 (TBC)
12. CHES Project Health Check (Release 2)	November 2025	TBC

Our assessment of the changes to the timing of assurance activities and the milestones that they are anchored to, were supported by an adequate rationale in accordance with movements in the internal CHES Project timelines. During the period, eight Release 1 assurance reviews were delayed by one to up to four months, while four Release 2 assurance reviews planned to be completed within the period to June 2026 were delayed by one to up to six months.

Additionally, there are four other Release 1 assurance reviews scheduled to be completed from the date of the completion of our fieldwork up to Release 1 go-live that were not impacted by the changes to internal CHES Project milestones. Refer to Appendix D for the list of assurance activities. The adjusted timeline leaves little to no contingency, leaving minimal flexibility to accommodate any delays or unforeseen issues. This

increases the risk that assurance activities may not be completed with the appropriate scope and approach, and the risk that the CHES Project may have insufficient time to address findings raised prior to key milestones.

The ASX Assurance Plan is actively monitoring this and has raised a risk within the CHES Project to escalate the risk that the CHES Project may not have the adequate time to remediate associated review findings which may impact the ability to go live.

EY will closely monitor this risk and any further delays to the CHES Project and the Release 1 ASX Assurance Plan activities for their impact on readiness processes as Release 1 approaches go-live.

Risk management process

In our June 2025 report, we set out our expectation that risk management processes for project delivery and delivered risk be included in the scope of the CHES Project Health Check.

In October and November 2025, ██████████ removal of the Release 1 scope from the next CHES Project Health Check review on the basis that it was assessed as low risk in consideration of prior coverage of topics, the outcome of the prior review and there being no open Health Check findings. ██████████ the deferral of the Release 2 Health Check scope to a later timeframe on the basis that it was assessed as low risk with consideration to the 'green' project status reported in September and October, the outcome of the Release 2 Delivery Approach and Requirements and Design Processes Review, and the Health Check not being dependent on a project milestone. It was also acknowledged that these changes would help to reduce the impact on the Release 1 team ahead of go-live. As such, risk management assurance was not performed holistically in CHES Project Health Checks in this period.

Instead, the ASX Assurance Plan performed the following activities related to the risk management process:

1. In the individual assurance reviews, Assurance Providers assessed how the project is managing and mitigating project identified risks that relate to the topic areas in scope for by

evaluating relevant individual open risks to determine whether management actions are appropriate, timely and when completed, would address the risk raised. This process occurs in individual reviews during the assurance plan period as appropriate and in line with the ██████████

2. The Primary Assurance Provider and the ██████████ ██████████ attended ██████████ to observe the risk management processes.
3. Risk related activities relevant to the design adequacy of Release 1 go-live decision framework will also be covered in the Release 1 Readiness Review as part of the ASX Assurance Plan. As part of additional requirements by ASIC, EY will evaluate the risk management process related to whether the Release 1 go-live decision framework has been followed.

While the above risk related activities are performed, in our view, the overall CHES Project risk management process had not been covered holistically to assess the appropriateness of the processes to identify, assess and close risks for the CHES Project.

As part of the requirements of the Release 1 Pre Go-Live report, we will assess the processes used to close risk items, as well as evaluate the acceptance process of open risk items prior to Release 1 go-live.

Risk measurement and reporting

The CHES Project applies the ASX Project Risk Management framework (PRMf). The PRMf establishes inherent risk as the risk arising in the inherent environment before consideration of controls and residual risk is determined with reference to an assessment, after considering the design and effectiveness of current controls. For both inherent and residual risk, risk likelihood and impact is calculated using the risk scalar. For all delivery risk assessments, ASX applies the Project Risk Assessment Scalar, while for delivered risk assessments, ASX applies the ERM Risk Assessment Scalar.

The CHES Project applies the PRMf by adjusting the residual risk when risk treatment or mitigating actions have been defined and then

adjusting further when risk treatment or mitigating actions have been executed.

We sampled 30 risk items from the [REDACTED] and the discrete risks covered by the Assurance Providers for the related Assurance Reports in this cycle. We found that for 15 of 30 sampled risks, residual risks had been adjusted lower where mitigation had been defined but was not complete: 3 risks items were still under assessment, and 12 risks had in-progress mitigating actions.

Of these 15 sampled risks, the table below shows the inherent risk ratings and the change to residual risk ratings based on in-progress mitigating actions.

No. of Risk Items	Inherent Risk	Residual Risk
1	High	Low
7	High	Medium
7	Medium	Low

By downgrading residual risks before mitigation actions are complete, there is a possibility that the project's risk profile does not accurately reflect the current risk exposure rather, it reflects the target risk exposure. We will assess residual risk ratings as part of our independent pre go-live activities.

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

In our previous report, we raised a recommendation for the ASX Assurance Plan to reconfirm its process and controls over the closure of assurance findings and recommendations. This included implementing a documented process and controls, the nature, timing and extent of the assurance provider activities and the evidence retained to support closure.

The CHES Project Assurance Closure Process has been documented to outline the requirement and responsibility that assurance providers, except for Internal Audit (who are to comply with ASX Internal Audit procedures), have in validating closure of findings and document the

work performed. This document and the process was approved by the ASX Assurance Plan Sponsor [REDACTED]

As at the [REDACTED], assurance providers had identified findings and recommendations for 11 of 20 completed assurance reviews and has raised a total of 20 findings and 9 defects from its commencement. As at date of this Report, a total of 14 findings had been closed by the ASX Assurance Plan, of which three were closed during the period. Refer to Appendices A and B for ASX's summary of completed reviews and findings as of 8 December 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.

For this report, we assessed the management actions for the three confirmed closed findings which were addressed by the CHES Project during the reporting period, and the closure process, including through inspecting the underlying evidence for appropriateness.

1. One finding closed by internal audit

Our assessment found that the internal audit team inspected evidence of the uplifted and signed off process maps to confirm that for each of the exceptions noted the process maps have been updated prior to closure of the finding.

2. Two findings closed by the primary assurance provider

Our assessment found that the assurance providers had closed the findings by inspecting updated process documents as the recommendation from the assurance review was to document the process. These two findings were rated as low risk.

Based on our procedures and further enquiries with the ASX Assurance Plan, we noted that there are mitigating factors in place, including reporting to governance forums and that the processes were in place, however, further improvements to documentation of the process were needed. As such, we determined that the closure of the two sampled

findings were appropriate as there is no material risk posed to Release 1 go-live.

We will assess how the ASX Assurance Plan tracked and closed the findings in our future reports, placing focus on any medium or high rated findings closed before Release 1 go-live. We expect that the assurance providers perform procedures, including implementation validation, as appropriate, and evidence retention, to confirm that the risk raised has been addressed.

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

We assessed ASX's processes in place to evaluate the independence of assurance providers and found no material exceptions. We inquired with ASX and inspected the conflict of interest process undertaken for one assurance provider to confirm that the ASX has a process in place to evaluate the assurance providers' independence.

As the primary and other external and internal assurance providers perform the assurance reviews, we will continue to evaluate ASX's processes in identifying, assessing, managing and reporting the assurance providers' independence.

1.F - Assessment of whether the ASX Assurance Plan considered the remedial actions from historical reviews in the performance of the assurance activities

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.

We found no material exceptions for the assurance activities completed in the period.

3.2 Completed ASX Assurance Plan Reviews

Context

For the 31 December 2025 six-monthly report, the following eight completed assurance reviews were assessed:

1. Release 1 Business process risk and control assessment process Review
2. Release 1 Platform Penetration testing (Part 1: against Industry test environment)
3. Release 1 Project Health Check 2
4. Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHESS solution)
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)
6. Release 1 Data migration processes (Part 2: test activities and results)
7. Release 2 Delivery Approach and Requirements & Design Processes Review
8. Release 2 Industry Test Approach Review

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

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

Findings

The table below is the overall summary of the attributes assessed for each completed ASX Assurance Plan review:

Assurance Plan review	2.A	2.B	2.C	2.D	2.E
Release 1 Business process risk and control assessment process Review	✓	✓	✓	✓	✓

Assurance Plan review	2.A	2.B	2.C	2.D	2.E
Release 1 Platform Penetration testing (Part 1: against Industry test environment)	✓	✓	✓	✓	✓
Release 1 Project Health Check 2	✓	✓	✓	✓	✓
Release 1 Cloud (Part 2: requirements, design and test approach / plan for cloud services and cloud controls for the new CHES solution)	✓	✓	✓	✓	✓
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)	✓	✓	✓	✓	✓
Release 1 Data migration processes (Part 2: test activities and results)	✓	○	✓	✓	✓
Release 2 Delivery Approach and Requirements & Design Processes Review	✓	✓	✓	✓	✓
Release 2 Industry Test Approach Review	✓	✓	✓	✓	✓

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] were prepared by the Assurance Providers.

The [REDACTED] outlined 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.

2.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.

Operating effectiveness assessment as part of the Release 1 Assurance Plan, including out of scope items from prior completed reviews

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.

One of eight reviews focused on the design of processes and controls across the Release 2 industry test approach, with the operating effectiveness scope to be completed as part of subsequent reviews. Five of eight reviews included operating effectiveness in its scope, such as code review on a sample of services and controls for the Release 1 Cloud Part 2 review, the business process risk and control assessment process, support and management of AMO build and test, data migration processes for Release 1 and delivery and requirements processes for Release 2. Two of eight reviews focused on project management and security controls at the test environment.

We found that for the assurance reviews completed this period, there were agreed out-of-scope areas that are expected to be covered as part

of upcoming assurance activities. In addition, for Release 1 Cloud Part 2 review, the assurance provider was not able to cover the totality of the planned scope as there were areas not ready for review and as there was insufficient time and resources to cover the services within the planned review timeframe based on needing to pivot the planned assurance approach to code review. Nine reviews to be completed prior to Release 1 go-live will cover operating effectiveness of Release 1 processes and controls, as appropriate, and we expect that the out-of-scope areas are covered in the upcoming ASX Assurance Plan reviews, including the scope not tested as part of Release 1 Cloud Part 2 review. The nine assurance reviews are:

Assurance Review Name	Indicative end date
1. Release 1 Cloud (Part 3: operational effectiveness and operational readiness)	December 2025
2. Release 1 Incident playbook Review	December 2025
3. Release 1 industry readiness activities Review (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)	December 2025
4. Release 1 Operating Model Review	December 2025
5. Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)	January 2026
6. Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)	February 2026
7. Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)	January 2026
8. Release 1 CHES replacement application review - operating effectiveness	January 2026
9. Release 1 Operational processes and controls Review	January 2026 (TBC)

While the ASX Assurance Plan is actively monitoring the agreed out-of-scope areas, we will keep focus on the completion of these assurance activities, the scope of the reviews and the completion of remediation of

any findings raised as they might relate to the effectiveness of the processes or controls that need to be in place for the Release 1 go-live readiness.

Baseline of controls and the ASX Assurance Plan Input

We understand that the work to design, test, and record controls relevant to the implemented Release 1 and Release 2 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 of the assurance reviews completed for Release 1 and Release 2 up to the date of the completion of the fieldwork for this report focused on the design of processes and controls. The operating effectiveness of Release 1 processes and controls will be completed prior to Release 1 go-live.

In our June 2025 report, we set out that we expect that a clear mapping is established between the baseline of key controls and the coverage of the assurance activities to provide stakeholders confidence that Release 1 control environment achieves appropriate risk coverage. We expect that key controls required by the business or technology on Release 1 Day 1 are defined, designed and implemented, and tested for control effectiveness to provide input to decision making at key stages, including go-live readiness and to support the successful replacement and decommissioning of current CHES.

Furthermore, we expect that an exercise be undertaken to identify changed controls and that these are tested for adequacy and operational effectiveness as they relate to Release 1 go-live readiness.

We will assess this mapping in our pre go-live activities to determine the extent that key controls are identified, implemented and tested for effectiveness as they relate to Release 1 go-live readiness.

2.B Approach is reasonable to achieve scope.

Our assessment of the [REDACTED] for seven of eight assurance reviews evaluated, 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.

For the Data Migration (Part 2) review, the objective was to assess the testing activities and results for the Mock Migration 2 (MM2) and Technical Dress Rehearsal (TDR) to independently evaluate whether key data migration controls operated effectively giving confidence on the integrity of migrated data.

In reviewing the [REDACTED] it was observed that the following key exclusions were outlined:

- The review did not include assessment of the configuration or underlying logic of the data migration checks, reconciliations, or reporting built into the data migration platform and the reporting tool. The procedures were to review the governance mechanisms applied during the Build Phase which included stakeholder review and sign-off of exit reports relating to build cycles and related JIRA Feature/User Stories, as appropriate.
- The review did not intend to independently reperform reconciliations between source and target data. The approach taken was to review the reconciliation reports and results made available to stakeholders formally signing off the migration events.

Finding 1: Based on the approach taken, the depth of the procedures performed partially meet the objective of the review which was to independently assess the testing activities and results for the mock migration and technical dress rehearsal to independently evaluate whether key data migration controls operated effectively giving confidence on the integrity of migrated data.

Through inspection of [REDACTED] and discussions with the Assurance Provider, it was observed that the procedures performed were to review the outcome of the activities performed based on the data migration procedures performed by the Project team. These procedures appropriately include reviewing the Build Phase of the data migration requirements, reviewing test activities and test results for the mock migration and technical dress rehearsal tests that executed the full end to end data migration controls, including reconciliation and exception reporting, and monitoring and reporting of critical success factors (CSFs).

However, the procedures performed did not include independent validation of the operating effectiveness of migration controls to determine whether the outputs of the data migration activities are complete and accurate. For example, in testing the operating effectiveness of the reconciliation between source and target systems the procedures performed was to inspect the reconciliation report, any identified errors or exceptions were investigated, and reporting of reconciliation results. There was no independent validation that the details in the reconciliation reports are complete and accurate.

The purpose of the assurance reviews is to provide independent assessment to support the CHES Project in achieving its objectives which is the successful replacement and decommissioning of current CHES. In addition, the assurance reviews provide confidence to internal and external stakeholders that project delivery is well managed.

The above approach taken increases the risks that issues associated with data migration activities, which could affect the reliability and integrity of migrated data could remain undetected and unresolved.

Recommendation 1: To address this, we recommend the Assurance Plan to conduct a risk-based independent validation of the operating effectiveness of the R1 data migration controls.

ASX has proposed an action for further assurance of migration key controls scheduled for February 2026 as part of the planned Industry Dress Rehearsal assurance activities.

The proposed assurance activities are designed to independently test the completeness and accuracy of the data migration.

We have assessed ASX's response and found that it will, if completed as intended, address our recommendation and enable a fully met assessment.

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

Our workshops with the primary assurance provider and external assurance providers, as well as the inspection of the assurance review team lead and members, found that for the eight 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.

2.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 eight completed reviews, [REDACTED] and our enquiries with the relevant assurance providers 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.

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

We assessed the [REDACTED] to determine whether the findings and recommendations were appropriate in relation to the procedures executed and the risks intended to be covered. Our assessment found that for the eight reviews, the findings and recommendations raised were appropriate.

Our assessment found that for one of eight assurance reviews, the assurance provider did not raise two observations as formal findings because evidence were sighted to confirm that remedial actions were underway by the CHES Project.

We acknowledge that the ASX Assurance Plan management and CHES Project assurance providers have defined standard definitions to guide a consistent understanding and uniform application in determining what constitutes a "Finding" versus "Observation". In that context, we understand that it is the ASX Assurance Plan's view that the evidence sighted of the management actions underway were sufficient to determine that these two were observations with improvement opportunities rather than findings. The ASX Assurance Plan and its assurance provider include observations in its reports (and not findings) if the CHES Project has progressed management actions on its own volition and can demonstrate evidence that mitigating actions have been taken and are progressing timely toward improving the specific area.

Additionally, the ASX Assurance Plan and its assurance provider have identified mitigating factors such as monitoring through governance forums and planned enhancements in a future milestone. In their professional judgment, this meant that no additional delivery risk was present for the CHES Project.

Based on the above and our assessment of the risk, we found that the risk does not pose material impact to the readiness of the CHES Project Release 1 to go-live. In addition, we note that this is not pervasive as it is limited to one of the eight assurance reviews we assessed during the period. EY will keep focus on the improvement opportunities raised by the ASX Assurance Plan and expect that the CHES Project or its Assurance Plan identifies any that, individually or by aggregation, pose material risk to the Release 1 go-live. EY will determine the status of any

remedial actions and whether they are necessary to be undertaken as part of Release 1 go-live in our Release 1 Pre Go-Live report.

3.3 Industry participant interviews

As part of our procedures for the 31 December 2025 reporting period, EY selected 11 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.

Eight of the 11 sampled participants chose to participate. The details of the industry participants sampled are 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 decision-making process.
- b. Adequate support and communication from the ASX around the industry testing.
- c. Clarity on technical specifications/requirements for Release 2.
- d. Long timeframe for the Release 2, which would impact the industry participant's resources, costs, and a concern on the impact of any delays.

- e. Go-live approach and BCP strategy. This includes rollback plan for Release 1, contingencies if there are issues noted as part of industry testing for Release 1 and clarity on the go-live strategy if not all participants are ready for Release 2.
- f. 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.

4. Release 1 Pre-Go Live Requirements

4.1 Release 1 Pre Go-Live Confirmation

In addition to the Licence Conditions, ASIC, in its letter to ASX on 1 November 2021, required that EY provide its opinion 1 week ahead of the Go-Live decision with respect to the following:

1. The assurance program meeting its objectives of:
 - a. The successful replacement of CHESS with a system that meets ASX's functional & non-functional requirements; and
 - b. Promoting confidence to internal and external stakeholders.
2. The adequacy of the CHESS Project's governance framework for testing;
3. The design adequacy of the CHESS Replacement System Go Live Decision Framework (which incorporates both the business decision to implement the new system and implementation activity decision check-points over the cut-over weekend) and whether the Decision Framework has been followed.

recommendations have been appropriately implemented by ASX.

4.2 Release 1 Pre Go-Live Report

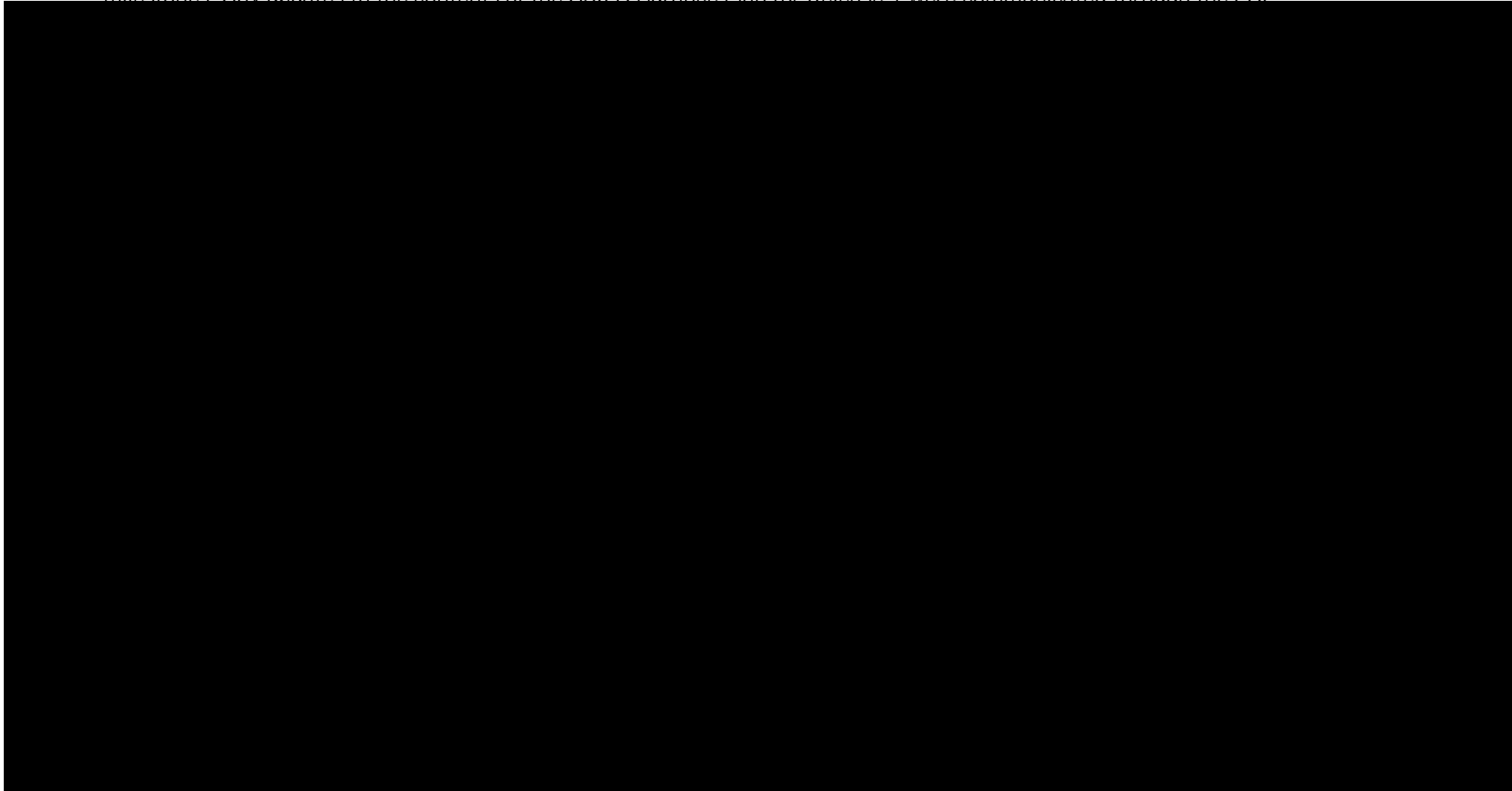
As part of the Licence Conditions, the independent expert (EY) will provide a report not less than 14 days prior to go-live on the following:

1. The status of any remedial actions and whether they are necessary to be undertaken prior to go-live; and
2. The findings of the totality of the ASX Assurance Plan reviews indicating whether the remedial actions identified by the independent expert in the reports referred to in the Licence Conditions and the relevant IBM review

Appendices

Appendix A Revised ASX Assurance Plan for Release 1

The ASX table below depicts the activities scheduled in the ASX Assurance Plan for Release 1, revised due to changes to the CHES Project milestones. Any updates to the contents of the ASX Assurance Plan for Release 1 were communicated through the PAF



CHES 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)	[REDACTED]	Internal stakeholder sentiment on likely success	ASX Internal Audit	[REDACTED]
Nov 2024 (complete)	Project Governance and Project Management	Project Health Check 1	[REDACTED]	Key project governance and project management controls, vendor management and governance processes aligned to requirements, ways of working [REDACTED]	Primary Assurance Provider	[REDACTED]

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
<i>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</i>						
Jun 2025 (complete)	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	
Sep 2024 (complete)	Delivery Processes	Release 1 ASX test policy and standards 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	Other External Provider C	

3

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
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 (Stage 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	Other External Provider C	

4

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
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	
Jan 2026	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 (complete)	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	
Nov 2024	Technical Solution	Cloud Platform		CHES project activities are being well managed to support	Primary Assurance Provider	

5

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
(complete)		(Part 1: review of project management processes to manage delivery onto the cloud platform (and dependencies with Cloud Foundations project)		delivery of the new CHES solution (services and controls) on cloud		
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 (Part 1: design review and test approach / plan)		The new CHES platform and components meeting non-functional requirements for resiliency and recovery, latency, performance and scalability of the application and platform	Primary Assurance Provider	

6

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

7

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)	Technical Solution	Release 1 System security requirements Review		new CHES system meets security requirements	Primary Assurance Provider	
Part 1: May 2025		(Part 1: security design review)				

8

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Part 2: Feb 2025		(Part 2: interim review of security requirements implementation in industry test environment)				
Jul 2025 (complete)	Technical Solution	Release 1 Platform Penetration testing (Part 1: against Industry test environment)		New CHES solution is secure	Other External Provider A	
FIX gateway: Jan 2025						
BaNCS internal UI web interface: Jul 2025						
Aug 2025 (complete)	Technical Solution	Release 1 Cloud (Part 2: requirements,		Design effectiveness of the services and controls	Primary Assurance Provider	

9

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		design and test approach / plan for cloud services and cloud controls for the new CHES solution)		supporting the new CHES solution on cloud		
Feb 2026	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
Jan 2026	Technical Solution	Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)	[REDACTED]	New CHESS system meets security requirements	Primary Assurance Provider	[REDACTED]
Dec 2025	Technical Solution	Release 1 Penetration testing (Part 2: against Production environment)	[REDACTED]	New CHESS solution is secure	Other External Provider A	[REDACTED]
Jan 2026	Technical Solution	Release 1 CHESS replacement application review	[REDACTED]	Operating effectiveness of key application system controls, key system interface controls and logical access security	ASX Internal Audit	[REDACTED]

12

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		operating effectiveness	[REDACTED]	evidenced through test plans and results		[REDACTED]
Dec 2025	Technical Solution	Release 1 Cloud (Part 3: operational effectiveness and operational readiness)	[REDACTED]	project and governance processes to assess and determine operational effectiveness and operational readiness, evidenced through test results, support processes and model	Primary Assurance Provider	[REDACTED]

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	
Jan 2026 (tbc)	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	
Dec 2025 (complete)	Change, Readiness and Implementation Processes	Release 1 industry readiness activities Review		ASX planning, management and execution of activities and processes to support AMOs and Clearing participants being	Primary Assurance Provider	
Part 1: Jul 2025		(Part 1: Support and Management				

14

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Part 2: Dec 2025		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)		operationally ready for Release go-live		
		(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)				
Dec 2025	Change, Readiness and Implementation Processes	Release 1 Incident playbook Review		incident management planning and testing	Primary Assurance Provider	

15

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

16

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	[REDACTED]	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	[REDACTED]
Feb 2026	Change, Readiness and Implementation Processes	Release 1 Cutover and support processes Review	[REDACTED]	ASX operationally ready for go live deployment and post go-live support processes	Primary Assurance provider	[REDACTED]
Jun 2024 (complete)	Regulatory	Independent assessment of CHES Project Assurance	[REDACTED]	CHES Project Assurance activities	EY	[REDACTED]

17

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

18

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

19

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 ASX table below outlines the completed ASX Assurance Plan reviews for Release 1 and the status of the findings.

Release 1 completed reviews and findings summary

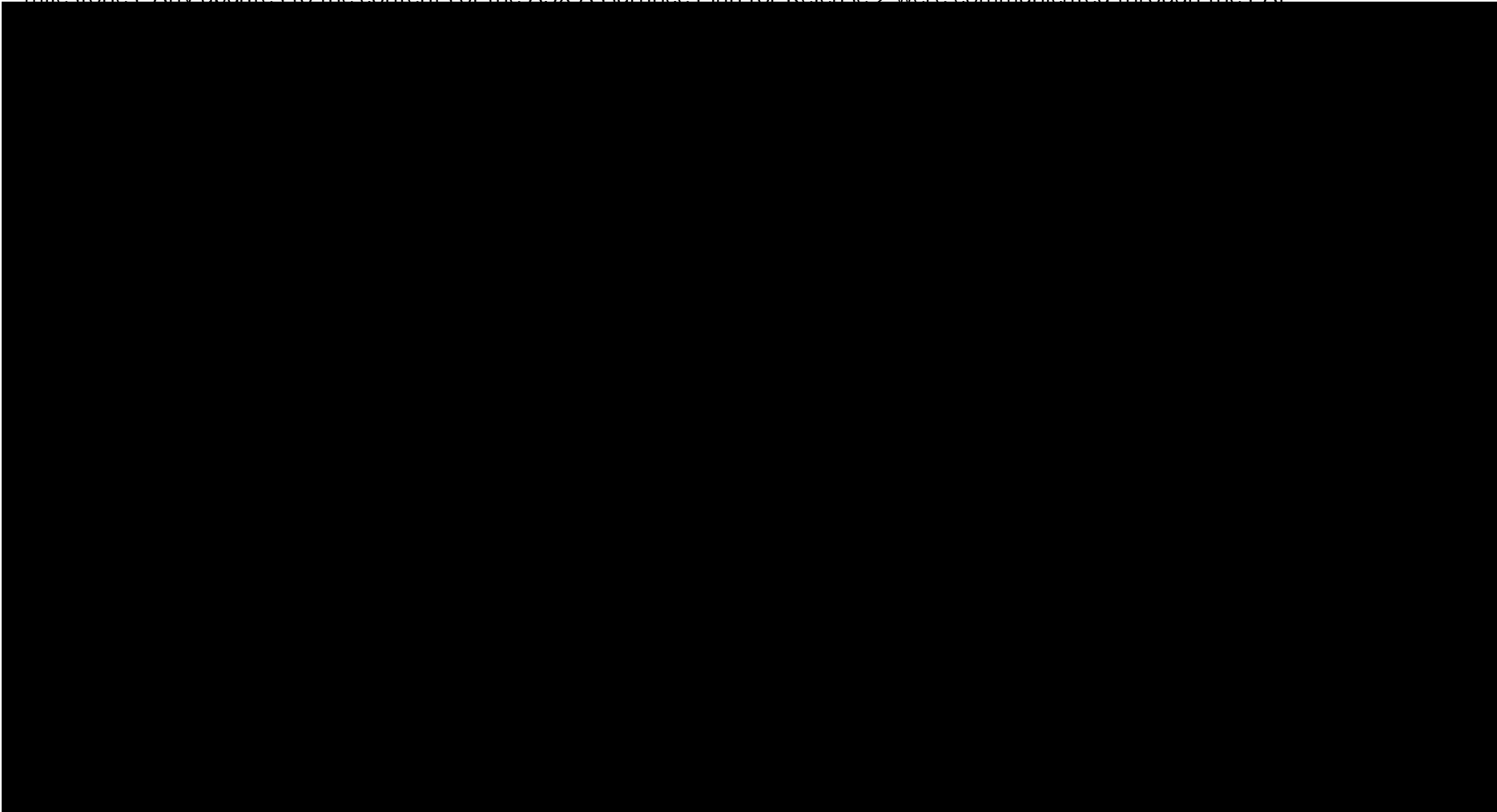
As at 8 December 2025, 26 reviews have been completed and 29 findings raised. Of these, 20 findings are closed and 9 findings are open (comprising 3 medium rated, 2 low rated, and 4 informational findings). In addition, there is 1 low rated open finding from the previous project to be addressed in Release 1.

Review	Provider	Completed
R1 Industry Readiness Activities Review – Part 2	Primary Assurance Provider	Dec 25
R1 CS Services Rules Review – External Assurance Report -Core Systems	Primary Assurance Provider	Nov 25
Release 1 Data Migration Processes - Part 2 Review	External Provider B	Oct 25
Release 1 Cloud Part 2 Review	Primary Assurance Provider	Aug 25
Release 1 Industry Readiness Part 1 Review	Primary Assurance Provider	Aug 25
Release 1 Penetration Testing – Part 1 (remaining scope)	External Provider A	Jul 25
June 2025 Licence Condition Review	EY	Jun 25
Release 1 Project Health Check 2	Primary Assurance Provider	Jun 25
Release 1 Business process risk and control assessment (BPRA) process Review	ASX Delivery Assurance	May 25
Release 1 System Security Requirements - Part 1 Design and Part 2 ITE (Interim) Review	Primary Assurance Provider	May 25
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, revised due to changes to the CHES Project milestones. Any updates to the contents of the ASX Assurance Plan for Release 2 were communicated through the PAF.



CHES 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
TBC Feb 2026	Project Governance and Project Management	CHES Project Health Check	[REDACTED]	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	[REDACTED]

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jul 2026 TBC	Project Governance and Project Management	Release 2 Light Health Check (Sentiment survey)		Internal stakeholder sentiment and benchmarking on likely delivery success	ASX Intern Audit	
Nov 2026 TBC	Project Governance and Project Management	Release 2 Project Health Check 2		As per CHES Project Health Check	Primary Assurance Provider	
Jun 2027 TBC	Project Governance and Project Management	Release 2 Project Health Check 3		As per CHES Project Health Check	Primary Assurance Provider	
Oct 2025 (complete)	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	

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

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Feb 2026	Delivery Processes	Release 2 Independent Test Assessment (Stage 1: Test strategy, test planning and test execution activities)		Quality of test strategy, test planning across functional and non-functional testing, and test execution practises compared to internal ASX, and international / industry standards and the governance framework for testing. Test design aligned to project risk and complexity; and test planning and execution activities align with the test strategy	External Provider C	

4

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

5

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
		(Stage 3: test execution activities)		framework for testing; and processes to test solution meets functional and non-functional requirements		
Mar 2026	Technical Solution	Release 2 Security Design Review (Interim)		new CHES solution meets security requirements	Primary Assurance Provider	
Feb 2026	Technical Solution	Release 2 Penetration Testing (ITE Open)		new CHES solution is secure	External Provider D	

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	[REDACTED]	Planning and delivery of the architectural roadmap and technical activities to meet project milestones	Primary Assurance Provider	[REDACTED]
Nov 2026 TBC	Technical Solution	Release 2 Interoperability Review	[REDACTED]	<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	[REDACTED]
Aug 2026 TBC	Technical Solution	Release 2 Penetration Testing (Drop to be confirmed)	[REDACTED]	new CHES solution is secure	External Provider D	[REDACTED]

7

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Oct 2026 TBC	Technical Solution	Release 2 Security Design Review (Final)	[REDACTED]	new CHES solution meets security requirements	Primary Assurance Provider	[REDACTED]
Dec 2026 TBC	Technical Solution	Release 2 Resiliency, Capacity & Performance Design Review (Part 1)	[REDACTED]	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	[REDACTED]

8

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
Jun 2026 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	

9

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)	[REDACTED]	Quality and effectiveness of the business process risk and control assessment process	Primary Assurance Provider	[REDACTED]
Aug 2027 TBC	Processes and Controls	Release 2 Operational Processes and Control Review (Bus Ops and Tech Ops)	[REDACTED]	Operational and technology processes and controls for HESS user readiness testing phase	TBC	[REDACTED]
Oct 2025 (complete)	Change, Readiness and Implementation Processes	Release 2 Industry Test Approach Review	[REDACTED]	Quality of approach and plan for the industry test phase and consideration of industry feedback	Primary Assurance Provider	[REDACTED]

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
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 Implementation Processes	Release 2 Industry Readiness Review (Stage 1)		Planning and design effectiveness of processes, tools and documentation to track, support and enable industry progress and readiness	Primary Assurance Provider	

11

Indicative end date	Review Grouping	Review Name	Review topics	Provides confidence in	Indicative Provider	Project Milestone
			[REDACTED]			[REDACTED]
Aug 2027 TBC	Change, Readiness and Implementation Processes	Release 2 Incident Management Playbook Design and Testing Review	[REDACTED]	Incident management design and test activities	Primary Assurance Provider	[REDACTED]

12

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

13

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	
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	

The ASX table below outlines the completed ASX Assurance Plan reviews for Release 2 and the status of the findings.

Release 2 completed reviews and findings summary

As at 8 December 2025, 2 reviews have been completed. 1 finding was raised and has been closed.

Review	Provider	Completed
Release 2 Industry Test Approach Review	Primary Assurance Provider	Oct 25
Release 2 Delivery Approach and Requirements & Design Processes Review	Primary Assurance Provider	Oct 25

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 our next reports

The table below outlines the ASX assurance reviews we plan to assess in our next reports, including the Release 1 Pre Go-Live Confirmation, the Release 1 Pre Go-Live Report and the 30 June 2026 six-monthly report.

#	Indicative Review Dates	Review Name	Indicative Provider
Release 1			
1.	Nov-25	Release 1 Penetration testing (Part 2: against Production environment)	Other External Provider A
2.	Nov-25	ASIC CS Services Rules - External Assurance Report Release 1	Primary Assurance Provider
3.	Dec-25	Release 1 industry readiness activities Review (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)	Primary Assurance Provider
4.	Dec-25	Release 1 Operating Model Review	Primary Assurance Provider
5.	Dec-25	Release 1 Cloud (Part 3: operational effectiveness and operational readiness)	Primary Assurance Provider
6.	Dec-25	Release 1 Incident playbook Review	Primary Assurance Provider
7.	Jan-26	Release 1 ASX test policy and standards assessment (Stage 3: test execution activities)	Other External Provider C
8.	Jan-26	Release 1 Resiliency, Capacity & Performance Review (Part 2: operating effectiveness review evidenced through non-functional test activities and results)	Primary Assurance Provider
9.	Jan-26	Release 1 System security requirements Review (Part 3: validation of security requirements implementation in production environment)	Primary Assurance Provider
10.	Jan-26	Release 1 CHES replacement application Review - Operating Effectiveness	ASX Internal Audit
11.	Feb-26	Release 1 Cutover and support processes Review	Primary Assurance Provider
12.	TBC	Release 1 Operational processes and controls Review	ASX Internal Audit
Release 2			
13.	Jan-26	Release 2 Penetration Testing (ITE Open)	Other External Provider D
14.	Feb-26	Release 2 ITE Implementation Readiness Review	Primary Assurance Provider
15.	Mar-26	Release 2 Independent Test Assessment (Stage 1: Test strategy and test planning activities)	Other External Provider C
16.	Mar-26	Release 2 Security Design Review (Interim)	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, covering both current CHESS and CHESS Project	[REDACTED]	13 November 2025
		12 November 2025
		13 November 2025
ASX executive management to cover both current CHESS and CHESS Project		21 November 2025
		14 November 2025
		14 November 2025
CHESS Project stakeholders (including go-live runway)		17 November 2025
		12 September 2025
		12 September 2025
ASX management and key stakeholders in relation to CHESS Project and its Assurance Plan		21 November 2025
	5 September 2025	
	18 September 2025	
Assurance providers within the Assurance Plan	Primary Assurance Provider	9 September 2025, 3 October 2025, 11 November 2025, and 12 November 2025
	ASX Internal Audit	18 November 2025
	Other Assurance Provider B	13 November 2025
Industry participants	[REDACTED]	22 September 2025
		26 September 2025
		30 September 2025
		6 November 2025
		13 October 2025
		22 September 2025

ASX Limited

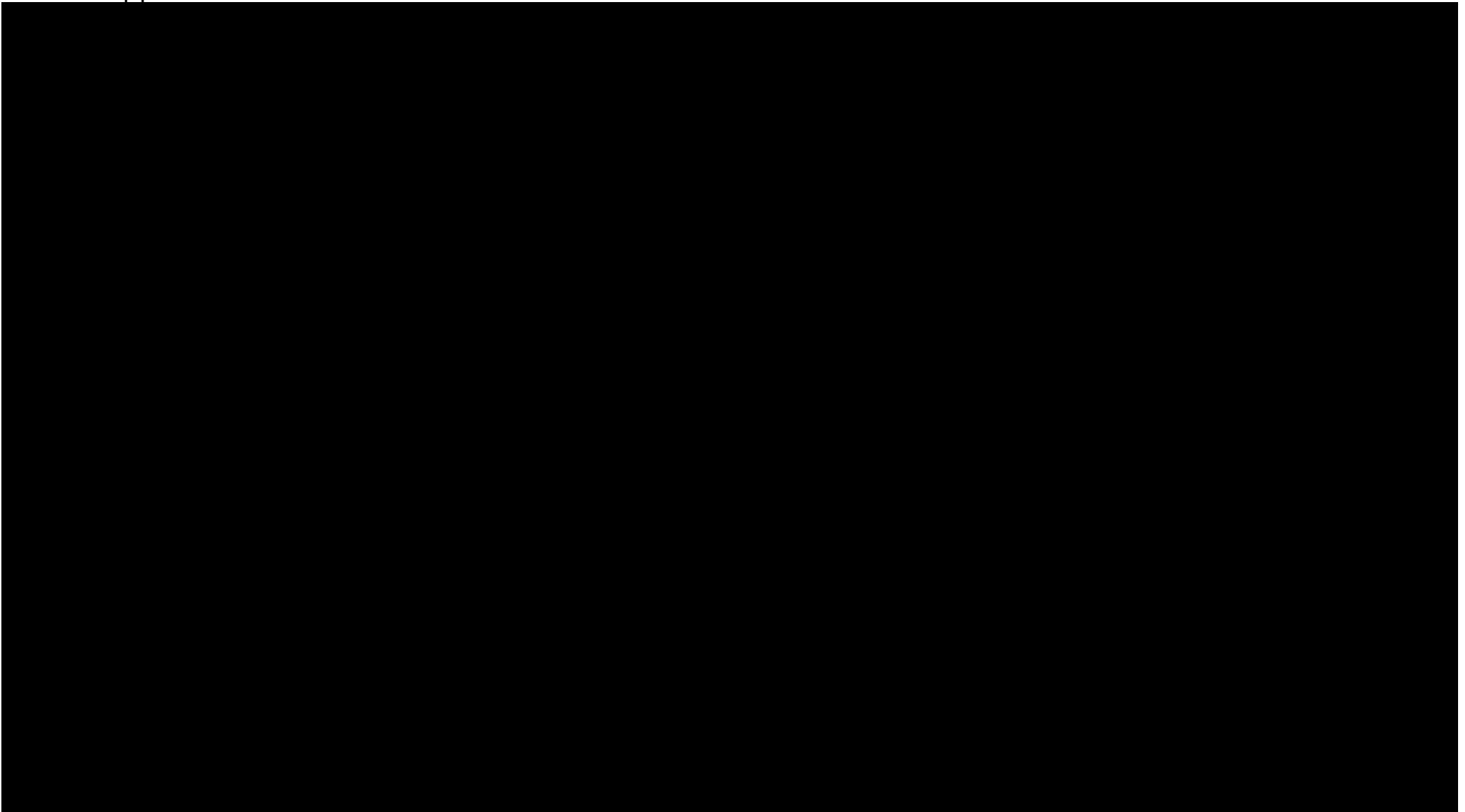
Independent assessment of ASX's Assurance Plan for the CHESS Project

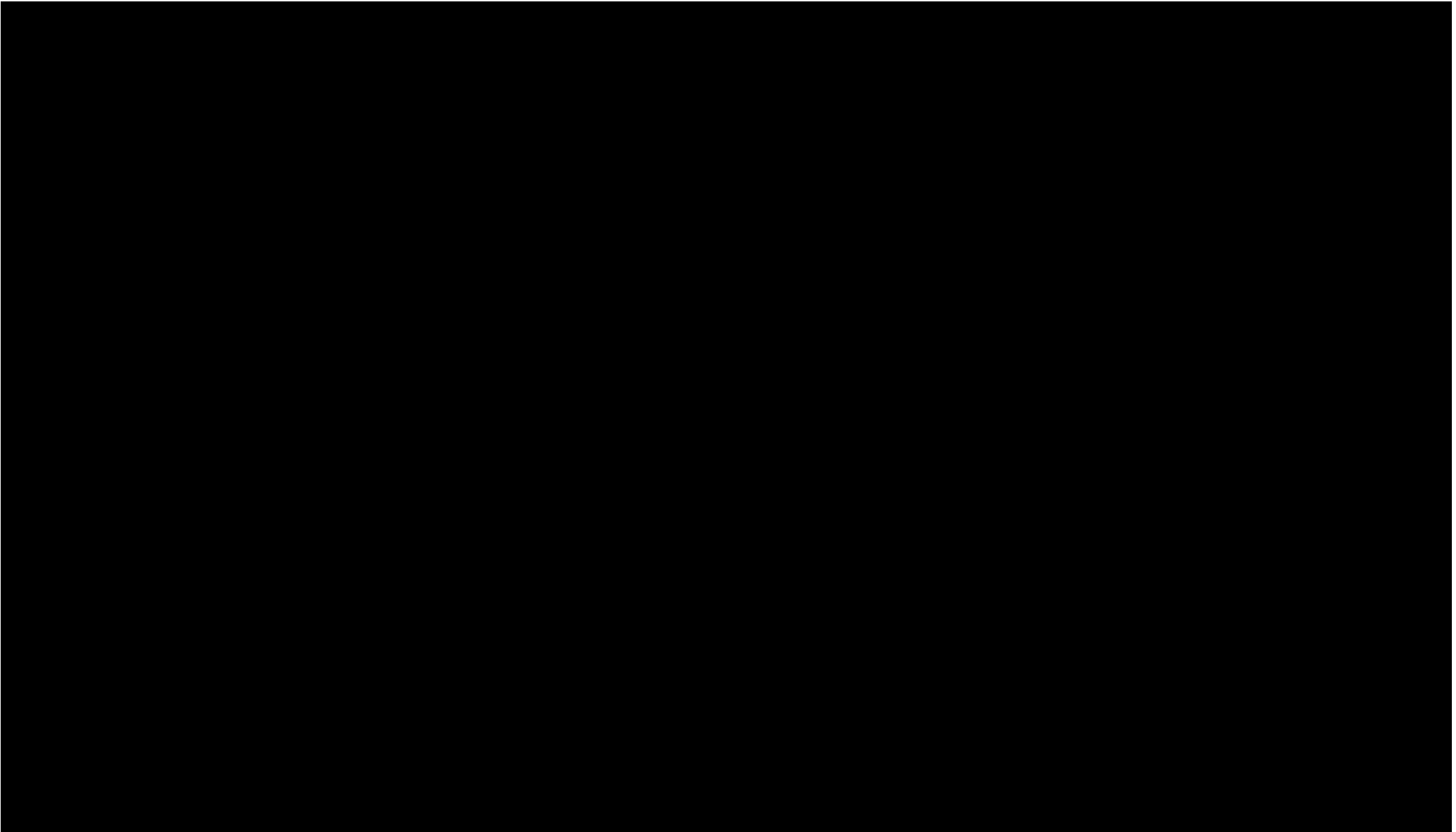
Seventh Six-Monthly Progress Report – December 2025

Interview list		
Stakeholder Group	Role	Date of interview
		18 November 2025
		14 October 2025

For the purpose of the seventh 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 CHESS 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 24 December 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.

Unless otherwise agreed in writing with EY, any party accessing the Report or obtaining a copy of the Report ("Recipient") agrees that its access to the Report is provided by EY subject to the following terms:

1. The Report cannot be altered.
2. The Recipient acknowledges that the Report has been prepared for the Client and may not be disclosed to any other party or used by any other party or relied upon by any other party without the prior written consent of EY.
3. EY disclaims all liability in relation to any party other than the Client who seeks to rely upon the Report or any of its contents.
4. EY has acted in accordance with the instructions of the Client in conducting its work and preparing the Report, and, in doing so, has prepared the Report for the benefit of the Client, and has considered only the interests of the Client. EY has not been engaged to act, and has not acted, as advisor to any other party. Accordingly, EY makes no representations as to the appropriateness, accuracy or completeness of the Report for any other party's purposes.
5. No reliance may be placed upon the Report or any of its contents by any party other than the Client. A Recipient must make and rely on their own enquiries in relation to the issues to which the Report relates, the contents of the Report and all matters arising from or relating to or in any way connected with the Report or its contents.
6. EY have consented to the Report being published in the ASX website for informational purposes only. EY have not consented to distribution or disclosure of the Report beyond this.
7. No duty of care is owed by EY to any Recipient in respect of any use that the Recipient may make of the Report.
8. EY disclaims all liability, and takes no responsibility, for any document issued by any other party in connection with the Project.
9. A Recipient must not name EY in any report or document which will be publicly available or lodged or filed with any regulator without EY's prior written consent, which may be granted at EY's absolute discretion.
10. A Recipient:
 - a. may not make any claim or demand or bring any action or proceedings against EY or any of its partners, principals, directors, officers or employees or any other Ernst & Young firm which is a member of the global network of Ernst & Young firms or any of their partners, principals, directors, officers or employees ("EY Parties") arising from or connected with the contents of the Report or the provision of the Report to the recipient; and
 - b. must release and forever discharge the EY Parties from any such claim, demand, action or proceedings.
11. If a Recipient discloses the Report to a third party in breach of this notice, it will be liable for all claims, demands, actions, proceedings, costs, expenses, loss, damage and liability made or brought against or incurred by the EY Parties, arising from or connected with such disclosure.
12. If a Recipient wishes to rely upon the Report that party must inform EY and, if EY agrees, sign and return to EY a standard form of EY's reliance letter. A copy of the reliance letter can be obtained from EY. The Recipient's reliance upon the Report will be governed by the terms of that reliance letter.

Ernst & Young's liability is limited by a scheme approved under Professional Standards Legislation.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2025 Ernst & Young, Australia
All Rights Reserved.



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

Our report may be relied upon by ASX and ASX's regulators ASIC and the RBA for the purpose of stated in this report only, pursuant to the terms of our engagement letter dated 1 August 2025. We disclaim all responsibility to any 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 report, the provision of our report to the other party or the reliance upon our report by the other party. Liability limited by a scheme approved under Professional Standards Legislation.

ey.com