

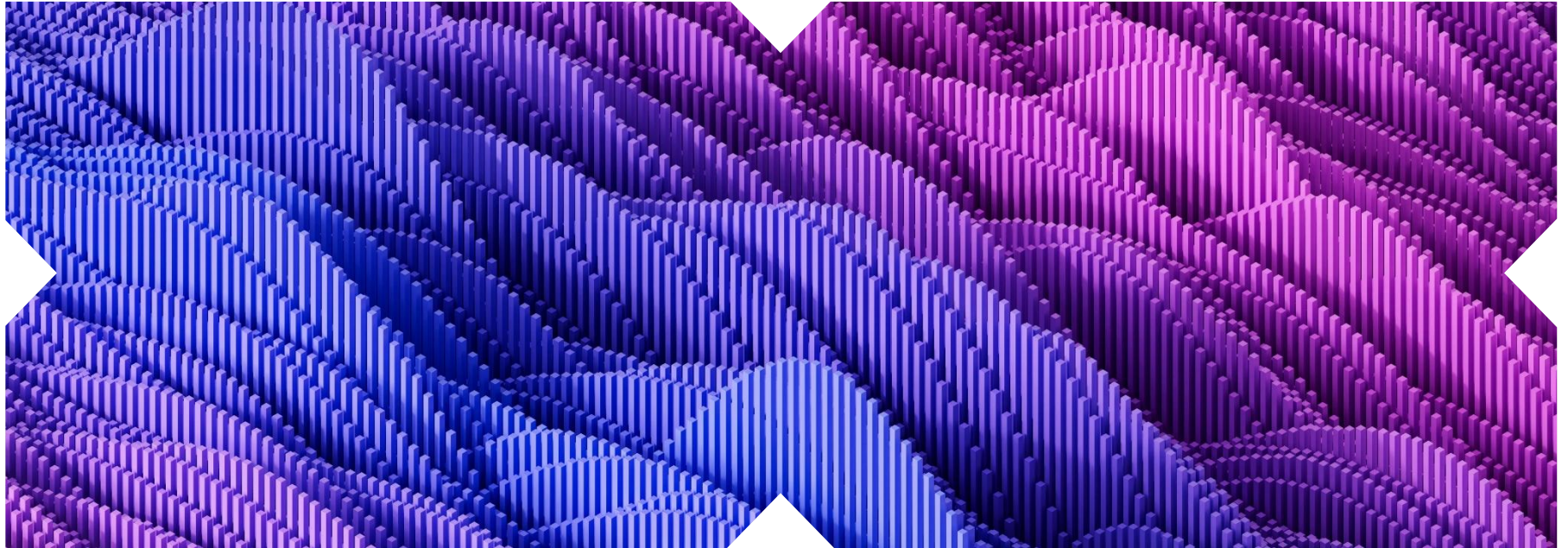
CHES PROJECT



BUSINESS DESIGN WORKING GROUP

RELEASE 2 DROP 5 (PART 3 OF 3) – CORPORATE ACTIONS

1 APRIL 2026



Acknowledging Country

ASX acknowledges the
Traditional Owners of
Country throughout
Australia. We pay
our respects to Elders
past and present.

Artwork by Lee Ann Hall
My Country My People



Housekeeping

Troubleshooting

- Please mute yourself when not speaking
- Please use the 'raise hand' feature on MS Teams if you would like to ask a question
- Please introduce yourself when talking for the benefit of all members
- Meeting is being recorded for the purposes of capturing decisions and actions
- Dial in details (audio only):
 - +61 2 7208 4607
 - Phone Conference ID: 645 808 060#
- Presentation materials were distributed before the meeting and will be published on the website.

Important Information

Competition Law Reminder

Workshop members are reminded to have regard to their obligations under competition law. In particular, please note that the Competition and Consumer Act prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect or likely effect of substantially lessening competition.

Agenda

01	Introduction and Objectives	10 min
02	Working Group Actions	20 min
03	Corporate Actions – Business Update	20 min
04	DRPs & Bank Accounts	20 min
BREAK		15 min
05	Rights Issues	20 min
06	Share Purchase Plans	20 min
07	Security Code & ISIN Changes	20 min
08	Next Steps and Future Topics	35 min

01 Introduction and Objectives

01 - Workshop Objectives and Outputs

The purpose of this Business Design Working Group session is to refine previously consulted design considerations and gain further customer feedback on the scope of Release 2 Drop 5 of the CHES Project

Objectives

- Collect expertise to refine the design of Corporate Action election and payment processes in the CHES Project
- Play back information collected from previous engagements
- Develop the finalised set of requirements for implementation in the CHES Project

Outputs

- Summary of the session and any applicable actions prepared for the Technical Committee
- Updates to the Business Design Documents (as necessary)
- ISO message construction (scheduled to be finalised by Q3 2026)
- Technical documentation (scheduled to be released by Q3 2026)
- Revised APGs
- Rules Consultation



What outcomes would you like to achieve for your organisation from this workshop?

01 - Upcoming Business Design Working Group Sessions

#	Session	Topic(s)	Invitees	Proposed Date	Status
27	Release 2 Drop 5 Deep Dive (3 of 3)	Deep dive into Release 2 Drop 5 changes and business design – Corporate Actions continuation	All	1 April 2026	Planned
28	Migration Scope Deep Dive (#2)	Continued industry discussion on data migration scope and approach	All	5 May 2026	Planned
29	CHESS UI & Connectivity	Deep dive overview of the CHESS UI, connectivity, resiliency and BCP topics	All	3 June 2026	Planned
30	Release 2 Additional Deep Dives	Topics requiring further discussion (e.g. ETFs, PMF, levies, hold / release, operational hours)	All	1 July 2026	Planned

BD WGs anticipated to continue through 2026 to work through and finalise any outstanding actions, scope changes and prepare for rules and procedures.

01 - Recent Business Design Working Group Sessions

#	Session	Topic(s)	Invitees	Proposed Date	Status
18	Payment Provider Focus Group	Payment provider focus group on planned changes to payment authorisation processes	Payment Providers	7 August 2025	Completed
19	Release 2 Drop 3 Deep Dive (2 of 2)	Deep dive into Release 2 Drop 3 detailed business design (issuer sponsored, payments)	All	19 August 2025	Completed
20	Non-Batch Payments Focus Group	Industry focus group on the real-time payment channel	All	9 September 2025	Completed
21	Release 2 Drop 4 Deep Dive (1 of 2)	Deep dive into Release 2 Drop 4 changes and business design	All	9 October 2025	Completed
22	Migration Scope Deep Dive (#1)	Industry discussion on data migration scope and approach	All	6 November 2025	Completed
23	Release 2 Drop 4 Deep Dive (2 of 2)	Deep dive into Release 2 Drop 4 changes and business design	All	26 November 2025	Completed
24	Release 2 Drop 5 Deep Dive (1 of 3)	Deep dive into Release 2 Drop 5 changes and business design	All	4 February 2026	Completed
25	Registries Focus Group	Focus group on specific Registry topics	Registries	4 March 2026	Completed
26	Release 2 Drop 5 Deep Dive (2 of 3)	Deep dive into Release 2 Drop 5 changes and business design (Cash Market Margining and Collateral)	All	23 March 2026	Completed

02 Working Group Actions

02 - Business Design Working Group – Open Actions (1 of 2)

#	Action	Raised	Update	Status
BDWG_06	Consider the process of migrating accounts, including transformations and fields not available in current CHESS	Feb 2025 BD WG	<ul style="list-style-type: none"> Discussed in migration BD WG – November 2025; follow up in May 2026 	<ul style="list-style-type: none"> Open
BDWG_09	Consider the appropriate rules and privacy implications to allow the sharing of email and mobile number with Registries	Feb 2025 BD WG	<ul style="list-style-type: none"> To be considered as part of rules consultation 	<ul style="list-style-type: none"> Open
BDWG_18	Consider the optionality, design and obligations in relation to mandatory settlement locks in the accumulation (ISOWG_J04, ISOWG_J05, ISOWG_J06)	Aug 2025 BD WG	<ul style="list-style-type: none"> ASX is evaluating whether this could be made optional for those who can manage this in their own systems 	Open
BDWG_21	Provide finalised update in relation to consolidated feedback on hold / release	Aug 2025 BD WG & Sep 2025 ISO WG	<ul style="list-style-type: none"> Outstanding questions remain in relation to close-out, fail fees, rules and obligations To be discussed in future BD WG 	Open
BDWG_23	Provide further information on specifics of portfolio transfer including interactions with Corporate Actions, sub-positions and outstanding transactions	Nov 2026 BD WG	<ul style="list-style-type: none"> Discussed in February 2026 ISO WG, recapped in slides 13 and 14 	<i>Propose to close</i>
BDWG_24	Consider the addition of trade amount, executing broker amount and consumption tax to settlement messages	Participant requested	<ul style="list-style-type: none"> Discussed in March 23 BDWG and to be progressed via TC as a change request 	<i>Propose to close</i>
BDWG_25	Consideration on how the CHESS UI works alongside AMQP connectivity	Dec 2025 I&T WG	<ul style="list-style-type: none"> Additional information added into UTDs for Drop 1. Information for Drops 2 and 3 to follow shortly Further deep dives on CHESS UI scheduled for June 2026 BD WG 	Open

02 - Business Design Working Group – Open Actions (2 of 2)

#	Action	Raised	Update	Status
BDWG_26	Reconsider the validation criteria for SRN balance enquiries	Registry requested	To be discussed on slide 15	<i>Open</i>
BDWG_27	Consider how Registries and Participants can get access to Corporate Action Event Ids and Option Numbers	Feb 2026 ISO WG	To be discussed on slide 18	<i>Open</i>
BDWG_28	Confirm whether segregated margin accounts will be permitted from a legal and regulatory perspective	Mar 2026 BD WG	ASX to provide update in a future BD WG	New

02 - Business Design Working Group - Actions

BDWG_23 - Portfolio Transfers

BDWG_23

Provide further information on specifics of portfolio transfer including interactions with Corporate Actions, sub-positions and outstanding transactions.

Business Validations for portfolio transfers

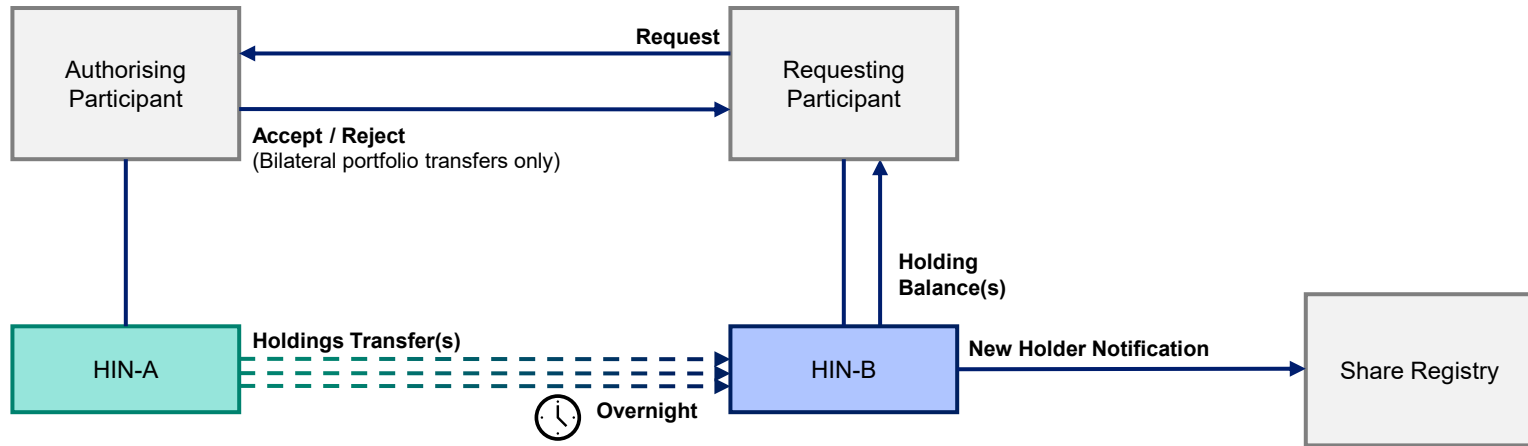
- Portfolio Transfer requests are accepted upfront and queued for overnight processing
- Based on industry feedback ASX is suggesting the portfolio transfers are processed as part of start of day (after relevant reports are generated)
- Portfolio transfers will always be processed as cum (if applicable)
- At processing time, each holding under the HIN is validated to determine if they are eligible to be transferred
- Holdings that contain sub-positions - such as settlement locks (BLOT), holding administration locks (RSTR), or any sub-positions created as part of a Corporate Action - will be excluded from the Portfolio Transfer and will remain on the source HIN
 - The transfer confirmation message will contain a partial transfer indicator
- Individual rejection messages are not sent for failed holdings. A holding balance report will be sent to both Participants if any holdings remain on the HIN
- Consistent with the bilateral demand transfer process, validations will not include checks for all outstanding settlement instructions, pending demand transfers, or CHESSTO-issuer conversions. However, validations will include transactions that may result in additional holdings in the source HIN (e.g. pending Issuer to CHESSTO transfers and DVP settlement instructions awaiting payment).

02 - Business Design Working Group - Actions

BDWG_23 - Portfolio Transfers

Portfolio Transfer is an alternative workflow that allows the requesting Participant to request all holdings of a HIN of another Participant be transferred to an *existing* HIN.

- Upon authorisation, the request is scheduled and all holdings as at end of day are transferred to the requesting Participant
- The Share Registry would receive new holder notifications for the transferred securities (assuming no existing holding).



02 - Business Design Working Group - Actions

BDWG_26 - SRN Validation Criteria

BDWG_26

Review the SRN enquiry validation criteria. Registry feedback indicates that a name must be included in the request for privacy reasons.

Considerations

Registry feedback received indicates the decision to use a **postcode** and / or **country code** as the validating attributes for an SRN Balance Enquiry will not meet requirements for privacy reasons. The request is to have both a **holder name** and a **postcode** as validation criteria for an SRN Balance Enquiry.

It is important that the new SRN Enquiry process does not represent a degradation from the current industry approach, which relies on only the first 12 characters of the holder name.

It should also be noted that the enquiry function is available exclusively via system-to-system ISO messaging or to verified users accessing the external system user interface.

ASX Response

Based on industry feedback, we propose making a **single holder name** a mandatory verification attribute for all SRN Balance Enquiries. The holder name would need to be validated against any of the holder names recorded on the SRN holding. Registries would be responsible for the matching rules, with guidelines provided by ASX (such as ignoring salutations).

Postcode and / or country is no longer required for an SRN Balance Enquiry.

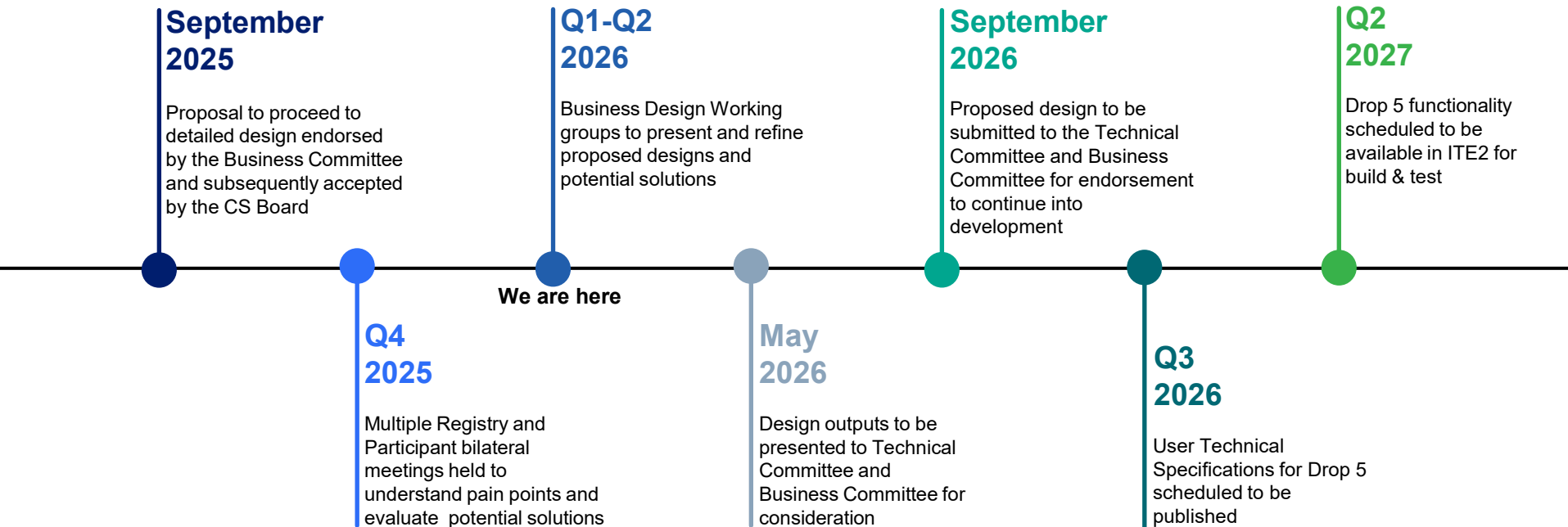
If agreed, an industry-initiated change request will be submitted for the Project.

03

Corporate Actions - Business Update

03 – Corporate Actions – Business Update

Process for engagement on new Corporate Actions functionality



03 - Corporate Actions - Information

Event IDs & Option Numbers

Event Type	Corporate Action Event ID	Option Numbers	Availability of Information		
			ReferencePoint E34	ReferencePoint ISO	ASX Settlement Notices (via ASX Online*)
Dividends	Optional – required if making event specific elections only	Not required <i>(revised solution slides 21-23)</i>	✓	✓	N/A
Takeovers	Required	Required	✗ No event	✓	✓*
Buybacks	Required	Required	✗ CA Event ID only	✓	✓*
Rights Issues	Required	Can be derived <i>(001 for exercise, 002 for oversubscription)</i>	✓	✓	Not planned
Share Purchase Plans	Required	Can be derived <i>(always 001)</i>	✓	✓	Not planned

*ASX may look to improve the way the data is made available on ASX Settlement Notices. At a minimum the required information for Release 2 will be enhanced for go-live

03 - Corporate Actions - Summary of Feedback

Key business feedback received to date

Commercials & Take-up

- Registries have strongly recommended that, if proceeding, ASX should ensure all existing manual methods are replaced and there is a full take-up of these services by relevant Participants
- In addition, the commercial structure and anticipated volumes will be important to ensure the new services are viable and worth the investment
- ASX is evaluating the framework to use to:
 - Ensure sufficient take-up
 - Develop the appropriate commercial model
 - Ensure the scope of change delivers the right level of benefit for the investment.

Opportunities for Standardisation

- There appear to be differences between the ways that Registries calculate and apply Corporate Actions for Omnibus accounts
 - This can lead to misaligned expectations between Custodians and may benefit from standardisation
- Examples include:
 - Whether scale-backs are calculated at a HIN (Registered) level or at the underlying holder (Underlying Beneficial Owner) level
 - Whether all rights units must be exercised prior to an oversubscription application for Omnibus accounts
- Registries flagged the overhead resulting from ineligible Beneficial Holders applying for Share Purchase Plans and have asked ASX to consider ways this could be improved / prevented.

04 DRPs & Bank Accounts

04 – DRPs & Bank Accounts – Industry Feedback

Participant

- Within the industry, there are two competing uses cases for DRPs that operate differently:
 1. **Retail shareholders** that typically set a DRP flag up front and manage as a standing instruction
 2. **Custodians with Omnibus accounts** who aggregate instructions from multiple beneficiaries and instruct a partial DRP close to the cutoff.

Note: A single bank account or dividend preference cannot be carried forward at the HIN level, as participation in a DRP is dependent on the investor agreeing to the issuer DRP rules.

Registry

- Only a single dividend election is supported **per holding per HIN** at any given time
- Registries will maintain dividend instructions and bank account details on a standing basis until superseded by a subsequent election
- ASX should not be calculating and aggregating information on behalf of Participants as dividend instructions must originate from the Participant itself
- Registries require the capability to accept or reject dividend standing instructions if ASX cannot validate against a DRP plan
- The preferred design outcome is to simplify processing through a single instruction flow
- Bank account information should not be stored within CHES
- Most Registry systems do not support the concept of a partial election for a Foreign Currency.

04 – Combined message - Bank accounts & DRP

ASX proposes the existing bank account instruction to be enhanced to support both bank account details and dividend election preferences within a single message.

This consolidated approach:

- Supports standing instructions **and** event-based elections
- Reduces message complexity
- Improves consistency across standing and event-based workflows
- Simplifies processing for both Participants and Registries.

Standing Instruction

- A standing instruction can be used to submit Australian bank account details or Foreign bank account details
- Participants may elect full DRP, full BSP or a partial election
- The flow will support a Registry acceptance or rejection response
- Business validations would be limited to basic attributes such as security and quantity
- This approach aligns with a standing-instruction model where elections are set outside of a specific Corporate Action event.

Event-specific Instruction

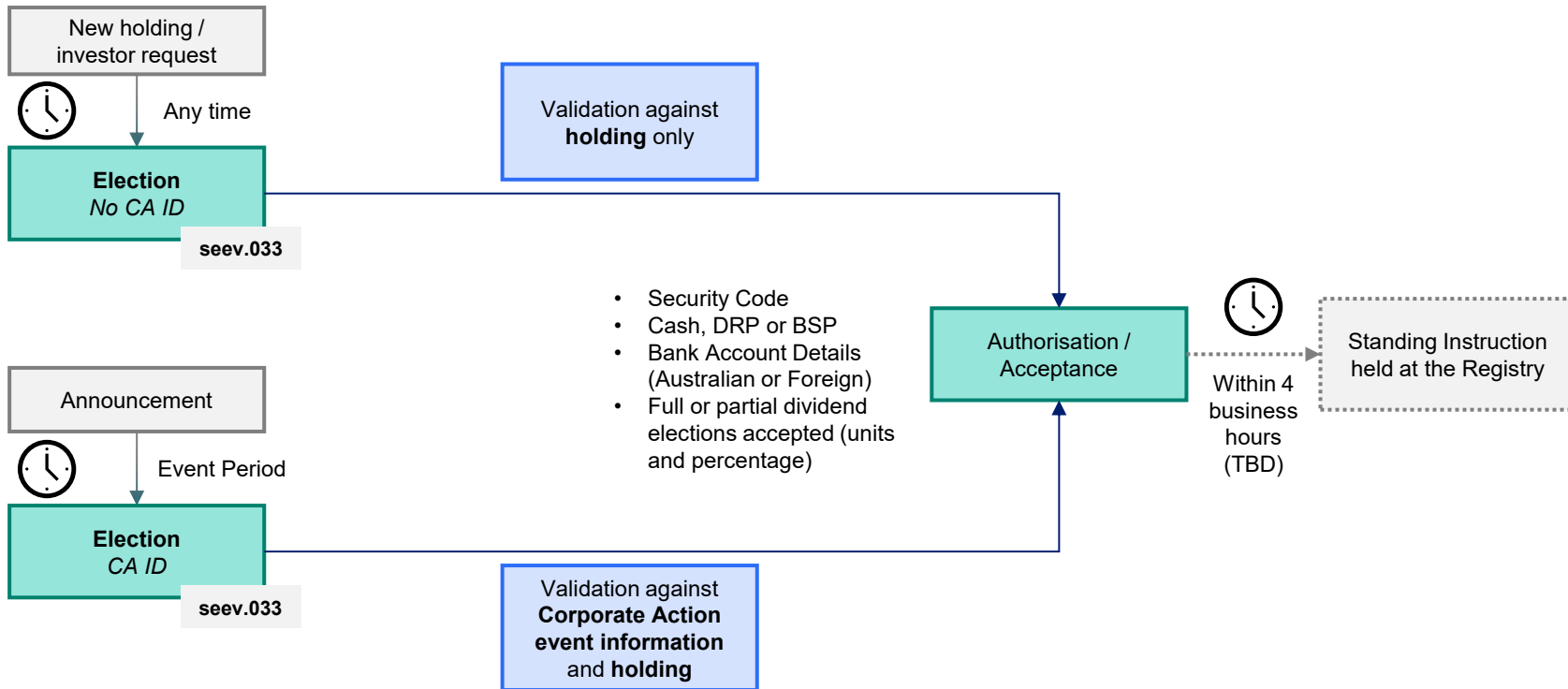
- The instruction may carry Corporate Action specific details (e.g. Corporate Action ID) while the event is active
- Elections may include full or partial elections (units or percentage)
- The flow will support a Registry acceptance or rejection response
- CHESSE will validate data as submitted and accept elections until the offer end date
- There will be no unit blocking or aggregation and Omnibus holders must provide a total instructed quantity per HIN.



Registries should apply the most recent standing or event specific instruction received through any channel as the standing instruction to carry forward.

04 - Dividend – Standing and Event Based

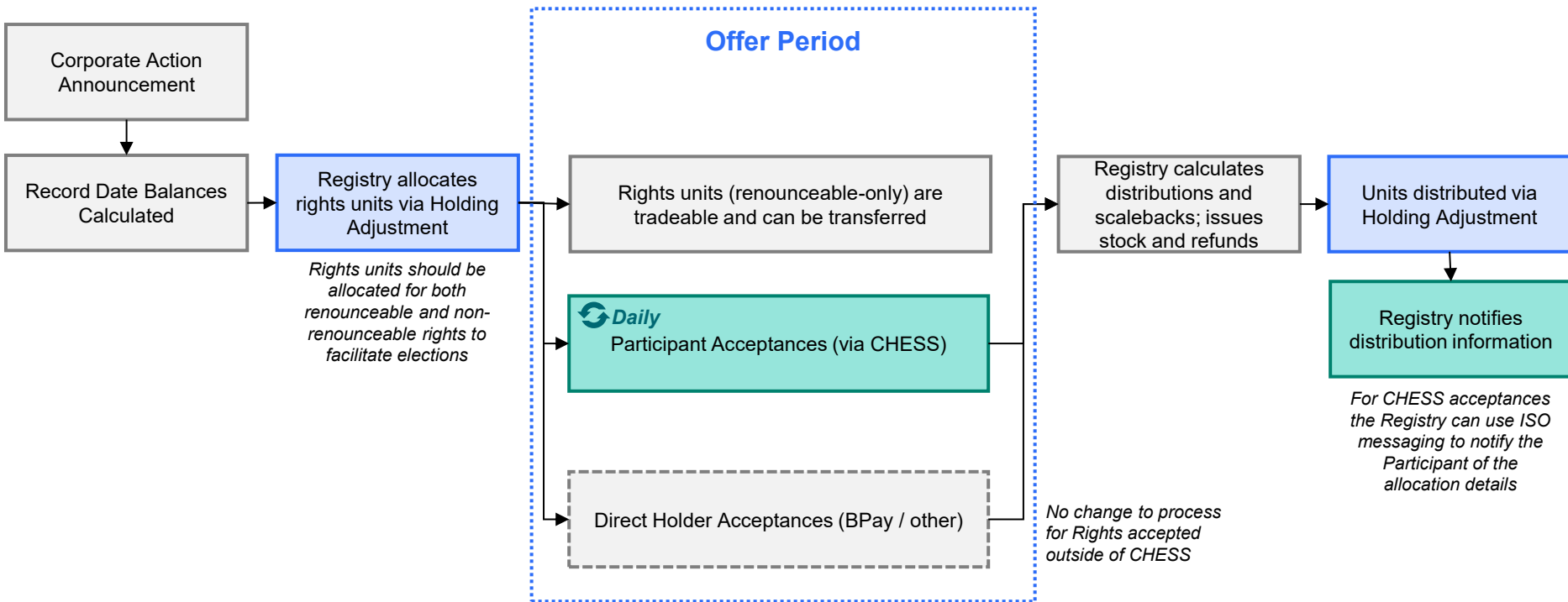
Consolidated proposal to support standing and event-based instructions



05 Rights Issues

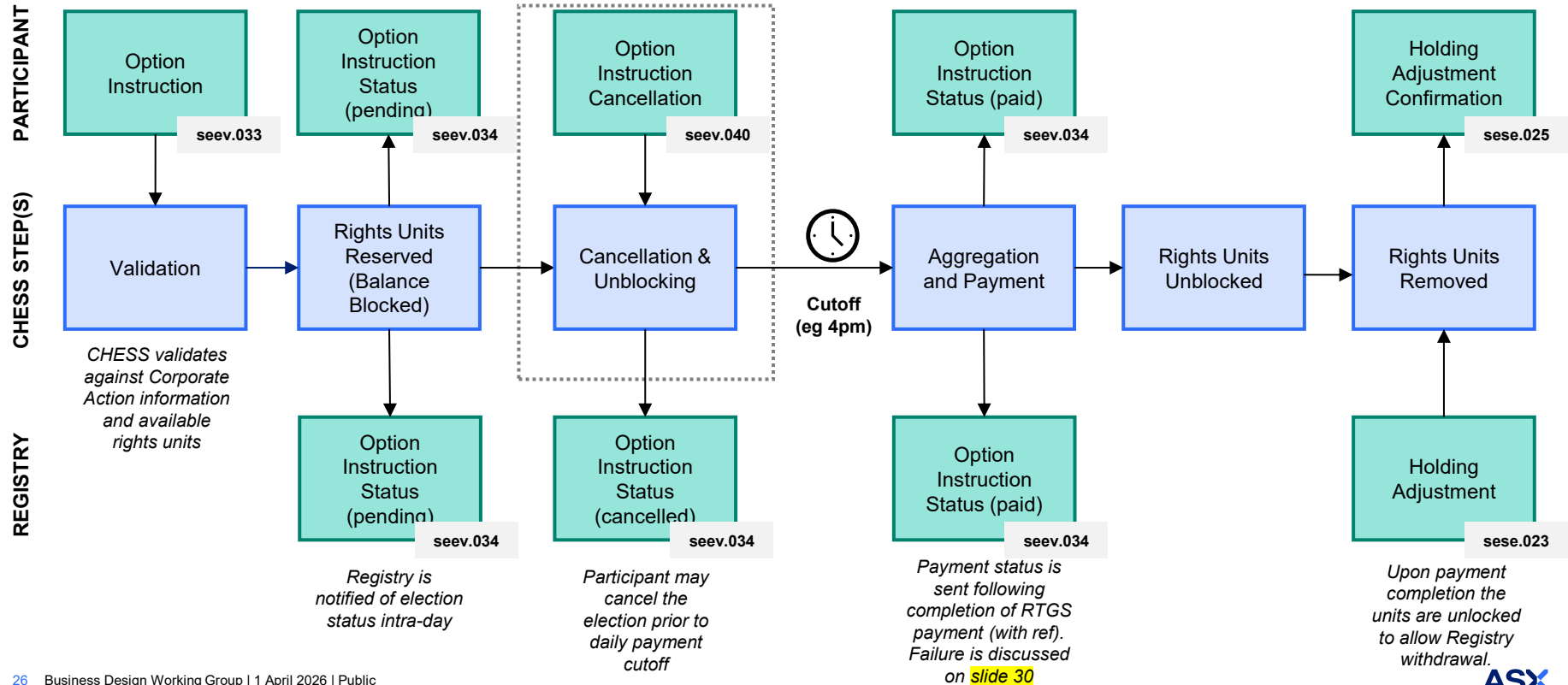
05 - Rights Issues

Applications in CHESS - High Level Process Flow



05 - Rights Issues

CHES Acceptances - Daily Process



05 - Rights Issues

Rights Acceptances - Worked Example

Rights Allocation			Application (see v.033)		Payment (RTGS)		
HIN	Record Date Holding	Rights Entitlements Allocated (1 for 7.9 round down)	Application Price	Rights Accepted	Payment Calculated (per Application)	Payment Aggregated (per HIN)	Net Payment Amount
HIN A	100 Units	12 Rights	\$2.055	6 (rights)	6 * \$2.055 = \$12.33	\$18.50	\$92.49
				3 (rights)	3 * \$2.055 = \$6.17		
HIN B	200 Units	25 Rights		21 (rights)	21 * \$2.055 = \$43.16	\$73.99	
				15 (over)	15 * \$2.055 = \$30.83		

Calculation of Rights Entitlements is performed by the Registry

CHES calculates price per application based on application price multiplied by units.

CHES calculates net payment amount per HIN and aggregates a single net payment on a daily basis



For nominee accounts, do all rights need to be accepted before an oversubscription is permitted?

05 - Rights Issues

Rights Distributions - Worked Example (HIN level)

			Distribution Confirmation (see v.036)			
HIN	Rights Accepted	Payment Calculated (per Application)	Payment Amount	Units Applied	Shares Issued	Refund Amount
HIN A	6 (<i>rights</i>)	$6 * \$2.055 = \12.33	\$18.50	9	9	\$0
	3 (<i>rights</i>)	$3 * \$2.055 = \6.165				
HIN B	21 (<i>rights</i>)	$21 * \$2.055 = \43.155	\$73.98	36	31	$5 * 2.055 = \$10.275$
	15 (<i>over</i>)	$15 * \$2.055 = \30.825				



Should scalebacks be calculated and notified at an election (beneficial holder) level, or overall for a HIN?

05 - Rights Issues

Rights Distributions - Worked Example (beneficial holder level)

			Distribution Confirmation (seev.036)			
HIN	Rights Accepted	Payment Calculated (per Application)	Payment Amount	Units Applied	Shares Issued	Refund Amount
HIN A	6 (<i>rights</i>)	6 * \$2.055 = \$12.33	\$12.33	6	6	\$0
	3 (<i>rights</i>)	3 * \$2.055 = \$6.165	\$6.17	3	3	\$0
HIN B	21 (<i>rights</i>)	21 * \$2.055 = \$43.155	\$43.16	21	21	\$0
	15 (<i>over</i>)	15 * \$2.055 = \$30.825	\$30.83	15	10	5 * \$2.055 = \$10.275



Should scalebacks be calculated and notified at an election (beneficial holder) level, or overall for a HIN?

05 - RTGS Payments for Corporate Actions

Overview

Key Considerations

- **Currently used** by Participants for Corporate Action payments
- **Existing RITS liquidity management features available** to Participants
- **No additional setup required** by Registries, aside from supplying ASX with the Bank Account information
- **No additional CHES development** for Payment Providers
- **Fees are known** and vary based on banking arrangements
- **Simplified solution** (one way payments between Participants and Registries only).

Handling Payment Failure

Payment failure is expected to be a **rare scenario** given the liquidity management features available in RTGS.

As a result, ASX proposes that there are manual fallback procedures in should this scenario occur to avoid additional message and workflow complexity for day 1.

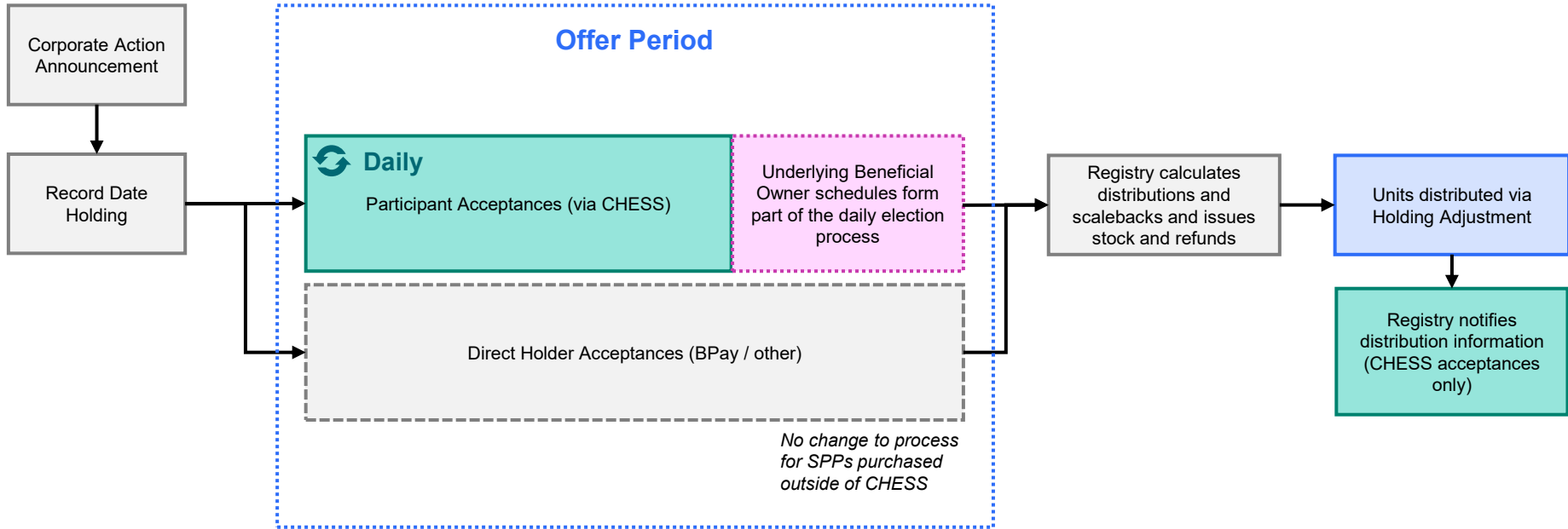
In the event that the RTGS payment fails, ASX proposes:

- The Registry would be notified of the elections and their “failed” payment status
- The Participant and Registry may opt to make a manual RTGS payment outside of CHES (if close to cutoff)
 - In this case no further processing would occur within CHES
- Units would be unblocked following a payment failure which would also allow re-instruction (prior to applications close) and / or removal of units via Holding Adjustment.

06 Share Purchase Plans

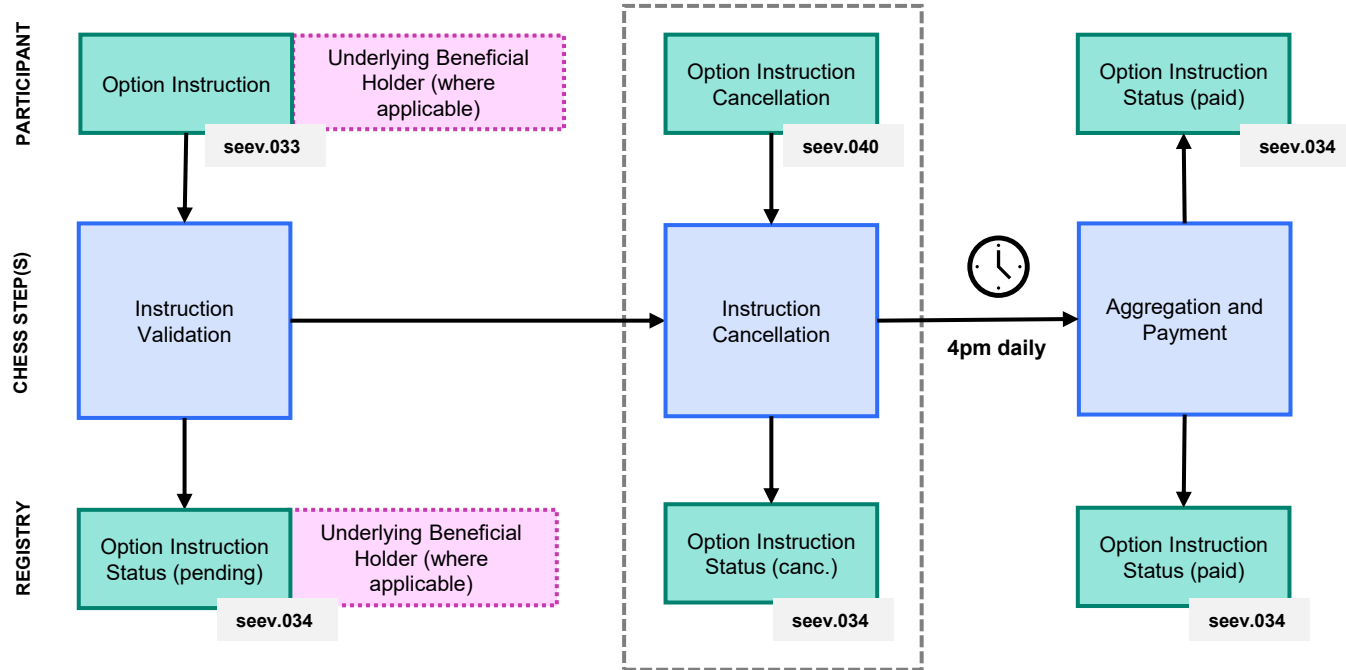
06 - Share Purchase Plans

Applications in CHESS - High Level Process Flow



06 - Share Purchase Plans

Daily Process



Option instructions can be cancelled by the Participant prior to payment

06 - Share Purchase Plans

Worked Examples

		Eligibility		Application (see v.033)		Payment
HIN	HIN Type	Record Date Holding	Record Date Balance	Payment Amount (per Application)	Underlying Beneficial Holder	Net Payment Amount
HIN A	Nominee	>0	124	\$30,000	John Smith 20 Bridge Street, Sydney 2000	\$111,250
			50	\$20,000	ACME Corp 123 Street, Melbourne	
			5	\$1,250	Joe Bloggs & Jane Bloggs ABC Avenue, Brisbane	
			120	\$30,000	US Company Inc. New York, US	
HIN B	Standard	>0	200	\$30,000	N/A - Registration Details	

Elections can be made based on a dollar amount for SPPs

Underlying Beneficial Holder can be provided for Nominee Accounts to allow multiple elections.


Formats would be equivalent to CHES registration details

Net payment amount is calculated daily based on aggregated payment amounts across HINs

06 - Share Purchase Plans

Distribution Confirmation - Worked Example

Distribution Confirmation (see v.036)					
HIN	Payment Amount (per Application)	Scaleback Applied (20%)	Units Allocated @ \$160.125	Refund Amount	
HIN A	\$30,000	\$24,000	149	$\$6,000 + \$141.38 = \$6,141.38$	
	\$20,000	\$16,000	99	$\$4,000 + \$147.63 = \$4,147.63$	
	\$1,250	\$1,000	6	$\$250 + \$39.25 = \$289.25$	
	\$30,000	<i>Ineligible Shareholder</i>	0	$\$30,000$	
HIN B	\$30,000	\$24,000	149	$\$6,000 + \$141.38 = \$6,141.38$	

 Should SPPs be calculated and notified at an election (beneficial holder) level as depicted here, or as an overall calculation per HIN?

07 Security Code & ISIN Changes

07 – Security Code & ISIN Changes

Overview

Scenario	Use Case(s)	Change
Security Code only change	Issuer Name & Code Change <ul style="list-style-type: none">• A company changes their name and requests to also change the Security Code• No change to company structure or units on issue	Change to simplify processing and conform to the ISIN standards – slide 38
Security Code and ISIN change	Class Merger <ul style="list-style-type: none">• A class of securities is merged with another security• Typically, a pari-pasu class merger is processed where a security ranks equally with the head share of the same issuer	No material changes anticipated – slide 39
ISIN change	Change of ISIN <ul style="list-style-type: none">• From time-to-time ASX is required to change the ISIN whilst retaining the same Security Code	Processed equivalent to a Security Code & ISIN change – slide 39
Change of entity structure where the security code is retained and reused	<ul style="list-style-type: none">• Scenarios including company redomicile, company mergers, scheme of arrangements and legal entity changes	To be discussed – slide 40

07 – Security Code Only Changes

Issuer Name & Code Change

Problem Statement

- In current CHESS, a Security Code change is a complex, multi-step process - to support continued trading, CHESS creates a new ISIN associated with the new Security Code and migrates all settlement instructions and holdings to that new code
- In some cases, a change of ISIN is later used to reassociate the original ISIN with the new Security Code
- This approach generates multiple notifications for all scheduled settlement instructions and triggers holdings updates for Participants - as a result, it creates significant operational overhead and increases reconciliation effort for market Participants
- In addition, any unmatched settlement instructions can no longer continue matching following the code change. These instructions must be cancelled and re-instructed, or will eventually be housekept, creating further operational inefficiencies
- These scenarios are also notified via ReferencePoint as a Corporate Action event
- CHESS has a longstanding issue of not fully conforming to the ANNA ISIN guidelines as a result of this limitation.

ASX Proposal

- Security Code changes will be processed as an internal **reference data update** only
- Under this approach, a new ISIN will no longer be created when changing the Security Code on an existing ISIN
 - The Security Code will instead be updated directly against the existing ISIN
- This change will not trigger holdings or settlement instruction updates, significantly reducing operational overhead and reconciliation requirements for Participants
- A sub register update notification is proposed to be sent to all Registries / Participants to inform them of the Security Code change
- Additionally, unmatched settlement instructions and issuer to chess transfers will be able to continue matching under the new Security Code, improving efficiency
- This process aligns with the [ANNA ISIN guidelines \(December 2023\)](#).

07 – Security Code & ISIN changes

Used for class mergers

Current State

- When a security code and ISIN changes – such as for a pari pasu class merger - the event is processed by CHESSE based on the Corporate Action event
- The security code undergoing the class merger is closed and all holdings are migrated to the new code.

Future State

- Security code and ISIN changes are processed in an equivalent way in BaNCS and are not proposed to materially change in the new state.

Process

- All **holdings**, including any locked sub-positions, will be migrated to the new security code
- **Scheduled Settlement Instructions will be updated** and notified via a cancel / replace message, notifying Participants of the new ISIN and ASX code
- Unmatched bilateral settlement instructions do not change and will be housekept, as they can no longer be matched
- Pending authorisation Issuer to Chess transfer requests cannot be authorised and will be housekept
- To simplify the process, ASX proposes that individual sub-position movements will not trigger separate notifications. Instead, a **holding balance report will be issued** to summarise the resulting changes, including all sub-positions.

ASX proposes that ISIN only changes are handled in an equivalent way to Security Code & ISIN changes, noting the Security Code won't change in this scenario.

07 – Change of Company Structure

Feedback received

Problem Statement

- ASX has received feedback that the way some company structure changes are processed causes processing issues for Share Registries and can result in investor confusion
- Recent examples include:
 - Redomiciles (inclusion conversion to and from CDIs)
 - Change of legal entity
 - Scheme of arrangements resulting in a new entity re-using the Security Code
- The scenarios are typically processed as a one-for-one reconstruction
 - This allows the security code to be reused, whilst continue trading uninterrupted and allowing Registries to adjust holdings if the scenario requires it.

Potential Solution

- It is important to allow listed entities the flexibility to retain their Security Code without interruption to trading activities
- ASX could investigate whether in these scenarios the ISIN could be changed whilst keeping the Security Code the same. This potentially aligns more closely to the ISIN guidelines as ISINs are intended to be unique identifiers that are not re-used.

Considerations

- This may result in a new process that has impacts more broadly than the CHES system, impacting AMOs and reference data consumers
- As a result, it may not be feasible to be amended as a CHES Release 2 only initiative.

08 Next Steps

08 – Next Steps & Future Topics

ASX will prepare a summary of this session for the Technical Committee including any actions.

Topics will be progressed via the ISO Working Group with further Business Design Working Groups in 2026, if necessary.

Corporate Actions Business Engagement

To be progressed further in the Technical & Business Committees in 2026, with a view to ensuring a firm decision on the scope to proceed with prior to the Technical Documentation being published later this year.

ISO Working Groups will also be held to deep dive into the messages and workflow details in parallel.

Business Design Working Groups for the remainder of 2026

This session completes the major business design engagement on the scope of drops 1-5 for CHES R2.

For the remainder of 2026, ASX plans to utilise the Business Design Working Groups for deep dives on remaining topics, examples of which include:

- Migration Scope (proposed for May)
- Connectivity, Resiliency & CHES UI (proposed for June)
- ETF allocation / redemption processes (timing TBC)
- Levies (timing TBC)
- Rule considerations (as applicable).



Questions

Appendix

Design Considerations for Drop 5

Business Design Document	Reference	Design Consideration	Slide Reference
Corporate Actions	CA_1.1	The CHES replacement system should support a straight through process for option instructions to be submitted by a Participant and for option instructions requests to be accepted or rejected by the Registry on a per holding basis	Section 4
Corporate Actions	CA_1.2	The solution should consider that acceptance or rejection may be based on preliminary acceptance/rejection process and not be fully validated by the Share Registry if the request does not meet plan rules	Section 4
Corporate Actions	CA_1.3	The CHES replacement system should support option instructions (without cash) for all applicable events currently structured in the ReferencePoint® ISO20022 signal, including: Dividends (DVCA – CashDividend, DVOP – DividendOption, DRIP – DividendReinvestment), Interest Payments (INTR – InterestPayment, PRIL - InterestPaymentWithPrincipal)	Sections 4
Corporate Actions	CA_1.4	The CHES replacement system should support the ability to instruct against options contained within the Corporate Action Notification, and which would include: <ul style="list-style-type: none"> - Full or partial acceptance of a DRP or BSP option (with a cash default) - Full or partial acceptance of a cash option (where DRP or BSP is the default) - Full or partial acceptance in an eligible foreign currency (where AUD cash or DRP is the default) 	Section 4
Corporate Actions	CA_1.5	The CHES replacement system should support the transmission of bank account details with a Corporate Action Option Instruction (where applicable), including foreign accounts where eligible and announced, including the option to retain bank account details as a default value	Section 4
Corporate Actions	CA_1.7	The CHES replacement system should support acceptances outside of the Corporate Action announcement period (submitted with a blank value in Corporate Action ID). Acceptances of which would need to be determined by the Issuer / Share Registry	Section 4
Corporate Actions	CA_1.8	ASX should consider if the CHES replacement system should complete a balance check to validate the holding balance prior to sending an election to the Share Registry, noting this will require further discussion with the industry	Section 4

Design Considerations for Drop 5

Business Design Document	Reference	Design Consideration	Slide Reference
Corporate Actions	CA_2.1	The CHESSE replacement system should support option instructions (with a cash payment) for all applicable events currently structured in the ReferencePoint® ISO20022 signal, such as: <ul style="list-style-type: none"> - Rights Entitlement (RHTS) - Securities Payment Plan, Priority Issue (PRIO) - Call (PPMT) - Company Options Expiry (EXWA) 	Sections 5 and 6
Corporate Actions	CA_2.2	The CHESSE replacement system should support the acceptance of option instructions on a per account basis, or multiple instructions per account basis, with the ability to aggregate instructions into a single payment as part of a daily process	Sections 5 and 6
Corporate Actions	CA_2.3	The CHESSE replacement system should support notification to the Registry of elections with have been instructed, both prior to payment (pending) and post payment (paid)	Sections 5 and 6
Corporate Actions	CA_2.4	The CHESSE replacement system should support notification to the Registry and Participant of a successful aggregate payment, with information that allows the payment to be linked to the individual instructions	Sections 5 and 6
Corporate Actions	CA_2.5	The CHESSE replacement system should support the ability to instruct for the exercise of a quantity of securities held in CHESSE (such as with renounceable rights issues)	Sections 5 and 6
Corporate Actions	CA_2.6	The CHESSE replacement system should support the ability to instruct to participate in an event requiring a holding, but no specific allocation of a security (such as share purchase plans)	Sections 5 and 6
Corporate Actions	CA_2.7	The CHESSE replacement system should support the ability to instruct to participate in an oversubscription (for example rights issues)	Sections 5 and 6
Corporate Actions	CA_2.8	The CHESSE replacement system should support the ability to restrict holdings where the election is based on an allocated quantity of securities (e.g. rights) in relation to the specific instruction (as is the case currently for takeovers / buybacks)	Sections 5 and 6

Design Considerations for Drop 5

Business Design Document	Reference	Design Consideration	Slide Reference
Corporate Actions	CA_2.9	Consideration should be given to whether the ability to process refunds for oversubscriptions or ineligible shareholders needs to be processed through CHESS, or can be refunded directly	Sections 5 and 6
Corporate Actions	CA_2.10	The CHESS replacement system should support the ability to accept instructions in fractions of cents and consider this in the aggregation and payment	Sections 5 and 6
Corporate Actions	CA_2.11	ASX and Share Registries should develop a process that considers the removal of rights accepted in CHESS, rights accepted outside of CHESS and the removal of lapsed rights that reduces the risk of multiple acceptances and transfer of accepted shares whilst minimising impact on existing Share Registry processes	Section 5
Corporate Actions	CA_2.12	The CHESS replacement system should optionally support the ability to allow the transmission of beneficial owner information in the Corporate Action option instructions where required for omnibus accounts (for example with share purchase plans)	Section 6
Corporate Actions	CA_2.14	The CHESS replacement system should facilitate payments in relation to Corporate Actions aggregated and settled as close to end of day as practical, giving consideration to offer close dates & times	Sections 5 and 6
Corporate Actions	CA_3.1	The CHESS replacement system should support the ability to transmit bank account details (or equivalent) as part of the acceptance message, where the Corporate Action event has a cash payment. If a bank account is associated with the HIN, this can be pre-populated	Section 4
Corporate Actions	CA_3.2	The CHESS replacement system should support the ability to allow acceptances against ISO-standardised option codes, as communicated in the ReferencePoint® ISO 20022 Corporate Action messages. This information will also continue to be communicated via ASX market notices (as it is today)	Section 3

Disclaimer / Important Information

Information provided in this presentation is for educational purposes and does not constitute financial product advice.

You should obtain independent advice from an Australian financial services licensee before making any financial decisions. Although ASX Limited ABN 98 008 624 691 and its related bodies corporate (“ASX”) has made every effort to ensure the accuracy of the information as at the date of publication, ASX does not give any warranty or representation as to the accuracy, reliability or completeness of the information.

To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted or from any one acting or refraining to act in reliance on this information.

Past performance of the ASX sharemarket and of any financial products referenced in this presentation is not a reliable indicator of future performance.

© Copyright 2026 ASX Operations Pty Limited ABN 42 004 523 782. All rights reserved 2026.



Thank you

ASX

This document provides general information only and may be subject to change at any time without notice. ASX Limited (ABN 98 008 624 691) and its related bodies corporate ("ASX") makes no representation or warranty with respect to the accuracy, reliability or completeness of the information. To the extent permitted by law, ASX and its employees, officers and contractors shall not be liable for any loss or damage arising in any way (including by way of negligence) from or in connection with any information provided or omitted, or from anyone acting or refraining to act in reliance on this information.

© Copyright ASX Operations Pty Limited ABN 42 004 523 782. All rights reserved 2026.