

TRANSCRIPTION

Company: ASX Limited (ASX)

Date: 19 October 2023

Time: 10:00 AEST

[START OF TRANSCRIPT]

Damian Roche: Good morning, everyone. I am Damian Roche, Chair of ASX. I welcome you to the 2023 annual meeting of ASX Limited. I begin today by acknowledging the Gadigal people of the Eora nation, traditional custodians of the land on which we meet today and pay my respects to their Elders past and present. As we have many people joining us remotely, I'd like to extend my acknowledgement to the traditional custodians of all the lands from which you join us.

We are delighted to offer our shareholders and proxyholders the choice of participating in today's meeting in person or via our online platform. The AGM is an opportunity for shareholders to hear from and put questions to the Board, the Managing Director and CEO and the external auditor. I encourage shareholders to use the various platforms available to participate in this meeting.

If you experience any technical difficulties while attending the meeting using the online platform, please contact the helpline number on the screen behind me. If I'm advised of any significant technical issues during the meeting, I may declare a short recess to allow us to resolve the issue. I will provide some instructions a little later on on how to use the different platforms available today.

There is a quorum present, and I now open the meeting. Let me commence our business with some introductions. Next to me is our Managing Director and CEO, Helen Lofthouse. All of your Non-Executive Directors are present today, Yasmin Allen, Vicki Carter, Melinda Conrad, Dave Curran, Peter Nash, Luke Randell and Dr Heather Smith. Also attending today's meeting is Group General Counsel and Company Secretary, Johanna O'Rourke and Voula Papageorgiou from PricewaterhouseCoopers, our external auditor.

Voula is available to answer any questions you have about the conduct of the audit of ASX's financial statements, the preparation of the content of the Auditor's Report, the accounting policies adopted by ASX in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Before moving to the addresses, I will outline the agenda for the meeting and how to ask questions and vote during the meeting. The details of formal business are set out in the Notice of Meeting, which was released

to the market on 15 September 2023. I note that we have one contingent item of business on the agenda for this meeting. This is a spill resolution, which is item 7 in the Notice of Meeting.

The spill resolution is only required to be put to the meeting if at least 25% of the votes are cast against the adoption of the Remuneration Report, which is item 3 in the Notice of Meeting. This would constitute a second strike. However, as item 3 regarding adoption of the Remuneration Report is being considered on a poll and the results will not be known until the end of the meeting, the spill resolution will be put to the meeting as a contingent poll. In the event the Remuneration Report receives more than 75% support, the spill resolution will have no force or effect. Votes cast on the spill resolution are cast on this understanding.

In relation to the Chair and CEO speeches we will be delivering shortly, they were released to the market prior to the start of the meeting and have been published on the ASX website. Following the completion of the meeting, those here in person are invited to join the Board and management team upstairs for refreshments.

I will now explain the question and voting procedures for today's AGM. Shareholders and proxyholders will have an opportunity to ask questions on each item of formal business. There will be an opportunity for shareholders and proxyholders to ask general questions relating to the management of ASX when we consider ASX's Financial Report for the 2023 financial year.

I ask that questions be directed to me in the first instance. There are three ways to ask a question today. Those in the auditorium can use a microphone. Those attending using the online platform can submit a question either in writing or by asking the question using the webphone functionality. I will outline each of these options in a little more detail.

Shareholders and proxyholders present in the auditorium will be holding a yellow or blue card. If you need assistance, please ask one of the registry staff in the auditorium or the foyer. We have four microphones in the auditorium. We have two fixed microphones with reserved seating in the middle of the stairs on each aisle. To ask a question please make your way to the reserved seats. There are also two members of staff standing at the back of each aisle holding roaming microphones. If you cannot move to a fixed microphone, please raise your hand and an attendant will bring one to you.

For those using the online platform, the information I am about to provide is contained in the virtual meeting online guide, available in the download section on your screen. You will see at the top of your screen three boxes, ask a question, get a voting card and exit meeting. To ask a question, to ask a written question click ask a question button. A box will appear with two sections as shown on the screen. Select from the dropdown menu the item to which your business question relates, then type your question in the space provided.

Please note that an online question must be more than 24 characters and less than 513 characters. Online questions will be read aloud by an ASX staff member during the relevant item of business. To ensure you have enough time to type and submit your questions, I encourage you to start typing now instead of waiting until later in the meeting.

To ask an oral question, click the ask a question button, select the second button, go to webphone under audio question as shown on the screen. When I call for questions or comments on each item of business, press star-one on the keypad on your screen for an item of business that your question or comments relate to. When it is time to ask a question or make a comment, the moderator will introduce you to the meeting.

In addition to being able to ask questions during today's meeting, shareholders were able to submit questions in advance. Thank you to those shareholders who took time to do so. Where the matters raised in those questions have not been covered in the Chair or CEO speech, they will be covered at the relevant item of business today.

We will endeavour to get as many questions as we can during the course of the meeting. However, where we receive multiple questions on the same topic, we will amalgamate questions in the interest of time and clarity. We will address questions for each item of business by first taking questions from shareholders present in the auditorium. We will then address the written questions we received in advance of the meeting and through the online platform. Finally, we will take any questions from those using the online webphone feature.

Turning now to the voting procedures. All items of business requiring a vote will be conducted by poll. A representative of ASX's share registry, Link Market Services, is returning officer for this meeting. I now declare the polls open. Please note that the polls will close five minutes after the conclusion of the meeting. If you are eligible to vote there are two ways you can cast your vote, in person or via the online platform.

If you are present in the auditorium, you will have a yellow voting card, which you will be asked to complete and hand to the registry staff at the appropriate time. I will advise you when it is time to complete your voting card. If you need assistance, please ask one of the registry staff in the auditorium or the foyer. If you have a yellow voting card and need to leave early, you may if you wish hand your completed voting card to the staff at the registration desk as you leave.

To cast your vote using the online platform, please click get a voting card button and follow the prompts. You may cast your live vote at any time during the meeting. Where undirected proxies have been given to me as Chair of the meeting, I confirm that as set out in the Notice of Meeting I will vote the undirected proxies in favour of all resolutions as part of items 3, 4 and 5 and against all resolutions as part of items 6 and 7.

In accordance with the voting exclusions set out in the Notice of Meeting, other Directors and executives identified as key management personnel will not vote undirected proxy votes given to them in respect of the spill resolution. I confirm that I will vote all directed proxies given to me as Chair of the meeting in accordance with the directions provided. We will display on the screen the number of direct and proxy votes received prior to the meeting on each resolution. The final results of voting will be released to the market as soon as they're available.

Now to the Chair and CEO addresses. Fellow shareholders, thank you for joining me today in what will be my third AGM address as your Chair. The 2023 financial year has been a pivotal year for ASX. When I addressed you last September, ASX was yet to determine that it would pause and reassess the CHESS replacement project. As you know, since that time, confidence in ASX has been tested and we acknowledge that we must demonstrate that the changes we are undertaking will help restore that confidence.

The decision to pause and reassess the CHESS replacement project was difficult but necessary. It was ASX's decision to commence a review into the escalating delays for the project and that act itself should serve as a reminder that your Board and management team are willing to address difficult situations. Since then the Board's focus has been on taking meaningful action and urgent action.

Accountability measures were taken, governance strengthened, delivery capability reviewed and we have significantly raised the levels of industry engagement while reorienting our approach to transparency. There is more to do, but we are clear about the path ahead and what it will take to ensure we build on the foundations of what is an enduring and attractive business.

This year's Remuneration Report reflects the collective and individual accountability endorsed by the Board following the decision to reassess CHESS replacement. You can see the detail in our Annual Report but broadly speaking these measures included halving the reward pool available to the whole executive team and further reductions for executives directly involved with CHESS replacement. Deferred rewards from FY22 and prior for executives and leaders responsible for the project were reduced or cancelled, as were outstanding equity for the former CEO and former deputy CEO.

We have also rebalanced our remuneration framework to further focus executives on generating long-term sustainable value by delivering our five-year strategy. We introduced the long-term variable reward to the whole executive team and replaced earnings per share with underlying return on equity as a key metric for performance. These developments will better align with the executive team's remuneration with the value created for our shareholders.

While we've taken specific accountability actions during the year, there have also been more wide-ranging changes overseen by the Board over the past 18 months to help drive transformational change at ASX. Chief amongst this was the appointment of our Managing Director and CEO, Helen Lofthouse.

When I spoke at the last year's AGM, Helen had only been in the role for over a month, yet it was clear she was prepared to apply new rigour to existing challenges and we've started to see the impact of her commitment to customer driven growth, technology renewal, stakeholder engagement and cultural uplift. Helen has appointed a number of very capable executive team members with the experience and leadership skills to deliver our new five-year strategy.

Turning now to key regulatory developments during the year. As an operator of critical market infrastructure, ASX is subject to a high level of scrutiny, and this is as it should be given our special position in the nation's economy. It has therefore been unsurprising that our regulatory agencies, the Reserve Bank of Australia and the Australian Securities and Investments Commission, have sought assurances from ASX that we have the appropriate governance arrangements, capability and stakeholder engagement forums in place to successfully progress the CHES replacement project.

By the end of the year, ASX will have delivered three special reports to ASIC, demonstrating how we will maintain CHES, implement the CHES replacement external review recommendations and enhance our broader portfolio, program and project management frameworks. Each report is being independently audited by EY.

During the year, ASX also provided a report to the RBA on intra-group conflict management. The report was prepared by an expert law firm and concluded that ASX's intra-group conflict management arrangements are sophisticated and consistent with what would be expected of a listed group with the complexity and scope of ASX. Taken together, these reports provide our regulatory agencies with a deeper view of our governance and other arrangements for CHES and CHES replacement.

The RBA's recent annual Financial Stability Standards assessment also required ASX to place high priority on recommendations related to Board process, internal audit, stakeholder management and the management of ageing technology assets, including CHES. These areas of concern have already been in focus for ASX and we've previously stated we know we're not where we want to be and we are doing the work to make improvements. ASX will implement all of the recommendations from the FY23 assessment and this work should further strengthen ASX's ability to meet the high standards expected of us.

In March, ASX announced that ASIC was conducting an investigation into suspected contraventions of the *ASIC Act* and the *Corporations Act* in relation to the CHES replacement project. This investigation is

ongoing. I am unable to comment further, other than to say ASX is cooperating fully with ASIC in the investigation.

Turning to the financial performance of the Group. For the second year in a row, ASX delivered operating revenue of more than \$1 billion, notwithstanding the challenging operating environment and the significant additional focus required to meet our regulatory commitments. This achievement is a testament to the strength of our diversified business model and the dedicated efforts of everyone at ASX.

You will have seen from our annual accounts that total expenses rose during the year following increased investment in risk management and technology, including assurance and solution design activities related to CHES. We expect this heightened expense growth rate to persist in the short term as we allocate appropriate resources to support our strategy reset.

Our statutory net profit of \$317.3 million was down by 37.6% and this was impacted by several one-off items during the year. Underlying net profit after tax was \$491.1 million and was just 3.4% lower. This resilient performance allowed ASX to declare total dividends for the year of \$2.283, which was a slight decrease of \$0.081, in line with the 3.4% fall in underlying net profit after tax.

While this year's dividend reflects a payout ratio of 90% of underlying net profit after tax, the Board has approved a modification to the payout policy going forward of between 80% and 90%. These are not decisions we take lightly. With the new five-year strategy announced in June we have sought to address some key areas that require business investment, which we expect will grow the long-term value of your shareholding in ASX.

During the year ASX implemented several initiatives to increase stakeholder engagement, particularly in relation to the CHES replacement project. This is one of the key differences in approach taken on the project and has helped inform our decisions on the new solution design. The initiatives included the creation of two new stakeholder forums and the establishment of the CHES Replacement Partnership Program, which aims to encourage stakeholder participation in the next phase of the project through rebates and a series of development incentive payments totalling up to \$70 million.

One of the forums, established in February, was the CHES Replacement Technical Committee which has wide industry membership that can provide input on key items such as scope and implementation. ASX also recently established the Cash Equities Clearing and Settlement Advisory Group and this smaller group of highly experienced industry representatives is designed to provide input on key strategic issues for cash equity clearing and settlement, including strategic aspects of CHES replacement.

We are well progressed in our analysis to determine the solution design and Helen will speak on this in more detail shortly. What I can tell you is that this process has been very focused on the project's objectives and our top priority is ensuring that our new system will meet our high standards, consider the needs of the whole market and provide for future innovation.

Since taking up the role of Chair in April 2021, my fellow Directors and I have been focused on a process of Board renewal. Since March 2022, four of eight Non-Executive Directors have retired and four have been appointed. The new Directors, all of whom are sitting before you today, are Dave Curran, Dr Heather Smith, Vicki Carter and Luke Randell.

Later in the meeting, you will hear from Vicki and Luke. Their appointments align with our commitment to strengthen the technology, project management and financial market expertise around the Board table, and on the subsidiary boards. I hope shareholders will join the Board today in supporting the election of Vicki and Luke.

I would also like to recognise the contributions of three former Directors who we farewelled during the year. Heather Ridout who joined the Board in 2012 and retired in February, Rob Woods who joined the Clearing and Settlement Boards in 2015 and the ASX Board in 2020 and retired in March and Peter Marriott who joined in 2009 and retired in August. I have personally valued their insight and advice and the depth of experience they brought to the Boards.

In the Notice of Meeting sent to all shareholders, I explained that should I be re-elected today it would be my last term, in accordance with the ASX Board's tenure guidelines. I have served on the ASX Board since August 2014 and today's annual meeting is my 10th as an ASX director and will be the fourth time I have stood before you to seek your support for my continued service.

As always, I am deeply indebted to my fellow Directors for their support, encouragement, care and dedication during this past year. To everyone at ASX, a heartfelt thanks from me and the Board for your energy, expertise and commitment during a year of change and challenge. What we do matters and I am proud of what we are building.

I would also like to thank you, our shareholders, for your loyalty and support. My commitment, alongside that of your whole Board and management, is to embed the changes we are making to restore confidence and secure the long-term success of ASX. I now invite Helen Lofthouse to address the AGM.

Helen Lofthouse: Thank you, Damian, and good morning, everyone. It's a pleasure to be here with you today. I've been in the CEO role for just over a year now and despite the challenging period that we've had, it's clear to me that ASX has a high-quality portfolio of core businesses with privileged positions and strong long-term

tailwinds for future growth. We have some near-term challenges which have been a major focus for me during the year, but we're making good progress which will place us in a strong position to serve our customers well and capture future growth opportunities.

FY23 has been a year of reset for ASX. We have launched our purpose, defined our new vision, developed our five-year strategy and refreshed our values. We have introduced capital management settings to support our strategy including our two near-term focus areas of regulatory commitments and technology modernisation and we've introduced underlying return on equity as a key performance metric for the organisation.

As Damian said, there's been significant renewal at the Board and executive level over the course of the year to help drive our new strategy. There have been a significant number of new appointments in my executive team, reflecting a valuable balance of experience from within ASX moving to new roles and leaders from outside the organisation.

We are also pleased with our progress against our sustainability goals, achieving a 99% reduction in Scope 1 and Scope 2 emissions as we progress towards our target of net zero in FY25.

The market as a whole is our primary customer and we are focused on working effectively with our diverse range of customers to understand their challenges and deliver solutions. I am a believer in customer-driven growth and it's vital that we continue to increase and deepen our customer engagement. Horizon 1 of our strategy is prioritising our near-term focus areas of regulatory commitments and technology modernisation. We have made good progress against these focus areas so far in 2023 but still have work to do.

Beginning with regulatory commitments, our licences are some of our most important assets. The role of market infrastructure has become ever more important in supporting a fair, efficient and stable financial system and regulatory standards have changed accordingly. We must ensure that we continue to meet our regulators' expectations.

The decision to pause CHES replacement was difficult but necessary and we are working to rebuild the confidence of our shareholders, our customers and our regulators. To that end, this year we have published two special reports, one on the support and maintenance of the current CHES platform and the other on our response to the CHES replacement external review recommendations. By the end of the year we will have published a third special report on portfolio, program and project management frameworks and our CHES governance statement.

Last week, the RBA released its annual Financial Stability Standards report on ASX, which covers a review period of significant change and reset. At our FY23 results, I said that we are exposed to a heightened level

of risk, particularly regulatory and operational risk relating to our near-term focus areas. This report confirms our view that we are not where we want to be in some areas and we have work underway that will give the focus and investment required to uplift where we need to. Finally, we continue to cooperate fully with the ongoing ASIC investigation. We're making good progress working through our regulatory activities and will maintain focus in this area.

Now moving onto technology modernisation. ASX operates critical market infrastructure which is of course underpinned by technology. Our technology modernisation approach continues to have a strong focus on addressing risks associated with legacy technology assets, as well as adding value for our customers. While we are undertaking remediation activity in some areas, we're still performing strongly in terms of system resilience with a pattern of decreasing material technology incidents. We remain committed to continuing to deliver resilient, secure and operationally reliable services that meet market and regulator expectations.

For CHESS replacement, we continue to work towards announcing the solution design by the end of this calendar year. It's important to have clear objectives of what we are trying to achieve with this project, which I will recap now. First, our licences. Our top priority is to implement a CHESS replacement platform that meets our licence obligations and the current needs of the market. A supportable solution. We operate critical market infrastructure and the solution must be reliable, supportable and operate at the high standards needed to underpin the Australian financial market.

A robust implementation plan. We must have a robust and achievable implementation plan that gives stakeholders confidence in a safe and reliable industry transition to the new platform. Industry impact. We need to consider the impact to industry stakeholders by continuing to engage with them and to leverage their previous investments where that's possible.

Finally, innovation. We want to create opportunities for industry efficiencies and growth including support for new asset classes and capabilities such as tokenisation. ASX is considering solution options which would take a more modular approach, with separate components for clearing, settlement and sub-register services to support flexibility and interoperability. This would allow for the provisioning of services by ASX or other providers as driven by market demand.

These objectives have underpinned the robust solution decision framework which is being applied to the options considered within the four solution design archetypes which are under consideration. While we're well progressed with our analysis, stakeholder engagement is key and the timing of our announcement is subject to our regulator's expectations on consultation with the industry Advisory Group. Once a solution design has been announced, further stakeholder engagement will be required in 2024 as we map out the implementation plan and the industry timelines for the project.

Addressing these near-term focus areas has required a significant increase in our total expenses but this investment is key to delivering long term sustainable shareholder value. We understand that this level of expense growth isn't sustainable and we are committed to reducing the total expense growth rate in FY25 through a series of measures including workforce optimisation, process simplification and automation and strategic procurement. We will provide a further update at our first half 2024 results and will continue to provide transparency around the expense growth drivers.

Despite our near-term challenges, it's important to remember that ASX has a portfolio of high-quality businesses, able to perform strongly through market cycles. We're privileged to have leading positions in a number of markets and structural tailwinds to support our businesses going forward.

We have strengths which differentiate us and underpin long-term value in our businesses, which are not easy to replicate. Over our 150-year history we have created unmatched connectivity across multiple markets, bringing global customers together in fair, transparent markets which provide deep liquidity and access to a range of data, products and services.

I've talked before about the importance of our licences and our deep experience in operating in regulated environments. We have two market licences and four clearing and settlement licences and we also hold a benchmark administrator licence which allows us to administer the bank bill swap rate. These licences set us apart and are crucial to the value of ASX.

From this privileged position ASX is well positioned to benefit from long-term structural tailwinds. Australia's superannuation system is the fifth largest and fastest growing in the world. This supports long-term growth in capital markets and is part of what makes ASX an attractive global listing venue. As the leading domestic capital market, with 89% on-market share of the cash equities market, ASX is well positioned to capitalise on this trend.

There is also a growing pool of retail investors who are keen to educate themselves and invest in the future. In fact, there's never been a time when more Australians have been invested in the share market and we know this from our Australian Investor Study, a significant ASX-commissioned survey that we conduct every two years and most recently published in June this year. We saw an increase in the number of investors who hold on-exchange products from 6.6 million to 7.7 million people which is the highest number in over a decade, with ETFs making up a significant portion of this growth.

ASX is also a data rich environment and there is further value to be unlocked from this. We are exploring this thoughtfully and looking at new capabilities and products that can leverage this appropriately for our customers and the market as the demand for data continues to grow.

Decarbonisation presents many opportunities and challenges for the Australian economy and ASX has an important role to play in enabling markets to support this transition. We're already doing this through our electricity futures, which have seen significant growth over the past five years and there's an opportunity to play a key role in Australia's carbon market through the launch of futures products and as the potential operator of the Australian Carbon Exchange, pending the decision from the Clean Energy Regulator.

The first quarter of FY24 has seen the continuation of the trends we saw in late FY23, primarily driven by cyclical factors. Secondary capital raised is down 46%, although the prior comparative period includes very strong activity in July and August 2022. Despite being slightly below pre-pandemic levels, September 2023 saw an increase compared to last year.

Although it's still early days, it's pleasing to see an increase in new listing activity with companies such as Redox and Freightways listing in the last few months and the pipeline of corporates looking to list on ASX remains solid.

Cash market trading volume is down 15% compared to the same period last year, similar to what we are seeing in exchanges in a number of other parts of the world. Although significantly down since the record levels seen during the COVID pandemic, current cash market volumes are slightly ahead of pre-pandemic levels. We should expect to see a recovery in volumes as inflation eases and the market gains confidence about where interest rates will peak, although further geopolitical tensions could impact this.

Our futures business has been a beneficiary of the rising interest rate environment with solid volume growth of 9% compared to the prior corresponding period, driven by short-end rate products in particular.

We're seeing early signs of growth in some of our longer dated rates products, particularly the three-year bond, as activity moves along the curve with the market's expectations that interest rates may have soon reached their peak. The global markets theme of interest rates being higher for longer is also expected to support this longer dated activity.

We reiterate the guidance that we provided at our FY23 results in August. FY24 total expense growth is expected to be between 12% and 15%. We have an operating expense review underway which is aiming to bring this growth figure down in FY25. Capital expenditure for FY24 will be between \$110 million and \$140 million, which we expect to remain at these levels for the medium term to support our regulatory commitments and technology modernisation programs.

We have the capital management flexibility in place to support this investment. We have moved to a dividend payout ratio range of between 80% and 90% of underlying NPAT and we expect to be issuing a corporate bond of between \$200 million and \$300 million, depending on market conditions.

We have a diversified portfolio of core businesses and interesting opportunities ahead. We have some near-term challenges which we are working through, but our high quality businesses are well positioned to benefit from our structural tailwinds and deliver long-term sustainable value for our shareholders.

I would like to conclude by thanking our people for their hard work during a challenging year for ASX. What we do matters and it's our team of highly dedicated people who deliver for the Australian market every day. Thank you and I will now hand back to Damian.

Damian Roche: Thank you, Helen. We will now move to the items of business. The first item of business is to receive the ASX Financial Report for the 2023 financial year. Helen and I have already discussed ASX's financial performance and comprehensive material was released on 17 August as part of our full year results.

Voula Papageorgiou, our external auditor from PwC is available to take questions about the conduct of the audit, the preparation of the content of the Auditor's Report, the accounting policies adopted by ASX in relation to the preparation of financial statements and the independence of the auditor in relation to the conduct of the audit.

There is a separate agenda item dealing with the Remuneration Report. I will address questions about remuneration matters when we consider that item of business. I ask that you save any questions about remuneration matters to then.

There will be no vote on this first agenda item, it is a discussion item only. I now invite general questions and any questions about the financial statements from shareholders present in the room. I ask that you please state your name and then ask a question.

Peter Gregory: (Australian Shareholders' Association, Representative) Good morning. Peter Gregory's my name, from the Australian Shareholders' Association. We're an organisation that represents retail and individual shareholders and today I'm holding proxies from 220 shareholders, with total votes of over 275,000, so that represents I think about 17th largest shareholder on the ASX top 20 shareholder listing.

Thank you for your presentations, Damian and Helen. I'd like, if I could, to make three observations about competition that can potentially impact on ASX business in the near term. Firstly, two weeks ago the government announced new legislation to support competition in clearing and settlement services. This, up until then, was the exclusive territory for ASX.

Secondly, Cboe, the global exchange operator that acquired Chi-X in 2021, recently stated - and I quote - it now has the performance and capacity to better meet both the current and projected future capital market trading volumes for the entire Australian equities marketplace.

Thirdly, the observation in the Annual Report and in Helen's presentation about the size of the pension pool, \$3.5 trillion, it's the fifth largest and fastest growing in the world, it's likely to attract significant interest from other global players who may be able to enter the market. It's likely that the future competitive landscape that ASX operates in will be quite different to today and through you, Damian, I'd like to ask Helen if she could share with us how the ASX is now working to competitively grow its revenue and protect its margins so that shareholders will continue to receive the dividends they depend on in the near term.

Damian Roche: Thank you, Peter, and we appreciate our engagement with both you and Sue throughout the year and we thank you for that interaction. Helen, I'll pass Peter's question to you.

Helen Lofthouse: Happy to, yes. I guess the first thing I'd say, Peter, is that I think we do embrace competition and we actually already compete actively, both domestically and internationally, in the majority of our businesses, so competition's certainly not a new feature for us. Of course it brings challenges, but I think it also can drive innovation and a really sharp focus on making sure that we're delivering value for our customers. At the end of the day, that's really what we need to do, right, is focus on our customers and ensure that they want to do business with us and that we're genuinely adding value for them.

So the significant part of what we're doing is really exactly that, making sure that we have really strong communication with our customers, that we understand them very well and that we're working with them to ensure that we're adding value and that they actively want to do business with us. I think I do certainly recognise the competitive landscape that you're describing.

In respect of the CICS legislation, the competition in clearing and settlement legislation, we support that legislation. It's worth noting that we already operate within a set of regulatory expectations, so this is in relation to the cash equities clearing and settlement and those expectations are that we deliver our services and operate in a fashion as if we were in a competitive environment already.

The legislation is really providing the legislative backing for those existing regulatory expectations, so we'll continue to stay very focused on our customers and really focus on continuing to drive that customer strategy to make sure that we're adding customer value.

Peter Gregory: (Australian Shareholders' Association, Representative) If I could ask a further question?

Damian Roche: Sure, Peter.

Peter Gregory: (Australian Shareholders' Association, Representative) There's been a lot of discussion about CHESS, it's been referred to in both of your presentations. I'd like to refer to the update letter sent to ASIC on 29 June, where you gave a fuller explanation of the progress of the CHESS replacement project. That

was a couple of months ago now, are you able to give us some more specific information, particularly as to where you're at leading up to the expected full release at the end of the year?

Damian Roche: Sure, thanks, Peter. I think Helen's covered that reasonably extensively in her speech. We'll be in a position to provide more details and we're still maintaining to do that before the end of the year on the solution design, that's certainly where we're progressing to.

We're well progressed with solution design, but a really important takeaway as part of the solution design was to make sure we have broad ranging industry consultation and we're working with the Advisory Group and that's also part of our regulatory expectations. So we want to ensure that we have all the input from the Advisory Group before we move forward with solution design and we are still anticipating before the end of the year.

Wayne Parry: (Shareholder) Good morning and thank you for your time this year and for your time today. Wayne Parry's my name, I'm a shareholder through our SMSF and through our joint holdings. Just further on the CHESS replacement, I guess to try and get down to a little bit more detail in terms of where we are, clearly the failure of the replacement to date means we're back at some point previously to where we'd like to be.

I guess I could ask a lot of questions but a simpler and broader one is, what are the lessons that have been learnt from the work to date? What can be taken forward with that work, or is it all completely lost? What is the timeframe now that you're thinking about for the new replacement?

Damian Roche: I'll take that to start with and then I might ask Helen. I think you raise an important point and thank you for your question, Wayne. Lesson learnt is something we're very focused on. We conducted a review of the program from Accenture, we are focused on implementing all of those findings of the review. We've talked about capability uplift to ensure that we have the right people driving the program forward, greater stakeholder engagement and making sure that we're listening to the industry and we're receiving input.

I think I'll let Helen talk, but there's been a significant uplift through the Technical Committee, the Business Committee and obviously the Advisory Group. We recently made some changes to the Business Committee and appointment of an independent chair and obviously we have an independent chair of the Advisory Group. We've talked about our commitment, subject to approval of the Advisory Group, to announce solution design by the end of the year, but then we will further progress consultation with our stakeholders to make sure together we are moving on the journey and it will be a consultative process.

I think that consultative process is a key takeaway that we're really focused on. I think we've talked in previous meetings, capability and also on the Board, lifting our capability with regard to technology both with Vicki and Dave and you'll hear from Vicki later and governance and oversight from the Tech Committee. Helen, I'm not sure if there's anything else you'd like to add there.

Helen Lofthouse: Sure, maybe just picking up on a couple of the other points you raise there, Wayne. Firstly, I would say I agree that lessons learnt from the process are really important, we've taken that very seriously. We've obviously published quite a lot of information in relation to that, but I just want to assure you that it's been a significant focus for me making sure that we really understand how to do this more successfully going forward.

I think you asked about reuse of the previous solution design, so just to touch on that. The brief to the team was to be really wide ranging and thoughtful as we, having made such a consequential decision to pause the project back in November, we really wanted to make sure that we were looking very broadly at the possible options for the CHESS replacement solution and that we really were very broad ranging in trying to identify the best outcome for the market.

We've mentioned four different solution archetypes, as we call them. One of those is evaluating the build that we've already done and considering if there are ways to address the issues that we'd identified and to take that solution forward. So that's one of the four archetypes that we've been evaluating in that broad ranging process. We've already talked about the next milestone coming up, which is really announcing that technical solution design. As I said, we're working towards announcing that this year, so hopefully not too long to wait on that.

Really figuring out the overall project timeline is then a matter that will need a great deal of industry input. I expect that when we announce the solution design we will do so with an indicative timeline for consultation, but that will at that stage only be indicative. Because what we actually need to do is consult with all of our stakeholders, because this isn't an ASX project for ASX going live on its own; it's the entire industry going live together. So actually what we need to do is go through that consultation process, which I expect to start early in 2024 and we'll go through that process together as we work out what the timeline is for the entire industry. So a lot more to come on that and more detail will emerge.

Damian Roche: Can I invite any more questions from the floor. If there are no more questions on the floor, we'll move to questions online.

Tracy Lee: Thank you, Chair. I will note that some of the questions online have been addressed by the questions answered on the floor. We have had some pre-submitted questions on the topic of ASX's share

price, it can be summarised as thus. Why has the share price fallen so sharply and what is ASX doing to lift it?

Damian Roche: Thank you. Look, we understand your disappointment and we share your disappointment in our share price. In June we outlined a new five-year strategy and that five-year strategy is a real reset of the organisation. The five-year strategy has short-term priorities around technology modernisation and meeting our regulatory commitments. Our focus is on ensuring that we are protecting the wonderful franchise and business that you are shareholders of.

I would note that for the second year in a row we produced \$1 billion of revenue and we have a strong position and a really strong business. But there are issues that we need to address, we are being very transparent about those issues, making the necessary decisions and making those investments and focused on building long-term sustainable value for shareholders.

Tracy Lee: Thank you, Chair. The next topic area from pre-submitted relates to the dividend. The question is, why have you cut the dividend and when will it rise again?

Damian Roche: Thank you. We're pleased with the dividend that we paid this year, but in our Strategy Day we did announce that we were looking at a range of between 80% and 90% for the dividend. That is part of ensuring that we have the right capital management strategy to support our five-year plan.

I think as I've just talked about, that plan is really focused on ensuring that we're building the Exchange for the future and we have the right framework in place to execute that strategy. While I understand that some of you may be disappointed about that, it's not a decision the Board takes lightly. But we're really focused on ensuring that we've got the right settings to drive that long-term performance.

Tracy Lee: Thank you, Chair. There was a follow-up question online. When will ASX reintroduce its dividend reinvestment plan?

Damian Roche: Thank you. The dividend reinvestment plan is an option to allow us flexible capital management and it may be reinstated at some point in the future. I would note that in August we updated our rules and made a series of enhancements and they're available online. If there are changes, we will be sure to let you know, if there are any changes to the implementation of the DRP.

Tracy Lee: Thank you, Chair. There were also several questions in relation to CHESSE statements. The question can be summarised as, when will ASX stop delivering paper-based CHESSE holding statements?

Damian Roche: I'm pleased to say that back in 2021 ASX created an electronic CHESSE statement option. So if you were to contact your broker, they will be able to assist you with receiving your CHESSE statements

online. Or if you have any more questions, please follow-up with us afterwards and we can talk to you more about what you need to do there.

Tracy Lee: Thank you, Chair. The next online question is, why did the date for the AGM move this year?

Damian Roche: Thank you. We published our calendar back in January and on the basis of feedback we'd received from shareholders, we wanted to make sure there was adequate time between the release our annual results and the publication of Notice of Meeting, to ensure that for those people that may wish to consider nominating as directors, they would have that time. So it was really based on feedback from shareholders that we've made those changes. We communicated them back at the beginning of the year.

Tracy Lee: Thank you, Chair. The next online question relates to climate change. The question is, how is ASX addressing climate change concerns and what role can it play in supporting decarbonisation?

Damian Roche: Thank you for the question. Given our role as market operator, we're very aware of the role we should be playing. For ASX ourselves, in FY23 we saw a 99% reduction in our Scope 1 and Scope 2 emissions and we are targeting net zero by FY25. You can read more detail about that in our Annual Report under the sustainability section.

But I think if we think more broadly of ASX's role as a market operator, we believe that we're working with both government, public policy, the Corporate Governance Council, on what we can do around standards of reporting for companies. We're also looking at what we can do around the development of decarbonisation products, so carbon futures and the expansion of electricity futures.

Tracy Lee: Thank you, Chair. The next questions states, I note PwC is ASX's auditor. Do you have concerns about PwC's audit quality given the tax fraud problems that were discovered at that firm?

Damian Roche: Well, I'd note that this is the AGM of ASX, so we'll keep our comments relating to ASX. But specifically as regard to PwC as our auditor and the team, we have had conversations with them and sought and received assurances that the people involved in the audit of ASX have nothing to do with the issues that PwC is currently dealing with. PwC provides high quality audits. We review our engagement with PwC annually. Are there any more questions online, Tracy?

Tracy Lee: No, Chair, there were no more questions online but I believe there is a question specifically for the auditor. I can read that out now. Is the application of section 311 of the *Corporations Act 2001* limited in any way by the scope of the audit or other contractual arrangements between PwC and ASX?

Damian Roche: Voula, if you wouldn't mind taking that question.

Voula Papageorgiou: Thank you, Chair, and thank you for the question. It's a very simple answer to that question. The application of section 311 is in no way limited by the scope of my audit.

Damian Roche: Thank you. If there are no more items of business there, we'll move on - no more questions relating to items of business, we'll move on.

Tracy Lee: That's correct, Chair, there are no more further written questions. I will ask the online moderator to confirm if there are any participants waiting on the phone to ask a question.

Operator: Thank you, there are no phone questions.

Damian Roche: As we have no further questions on this item, we will now receive the Financial Report and Auditor's Report for the National Guarantee Fund for the 2023 financial year. The Securities Exchanges Guarantee Corporation, or SEGC, is the body responsible for administering the National Guarantee Fund. The *Corporations Act* requires the SEGC to have a copy of the audited financial statements of the fund laid before the AGM of each member of the SEGC.

ASX is one of the two current members of the SEGC. The statements have been published on our website and are also available through the online platform. There is no vote on this matter. I will now take questions on the financial statements and Auditor's Report for the National Guarantee Fund. Are there any questions in the room relating to this matter? Are there any questions online relating to this matter?

Tracy Lee: Chair, there are no written questions on this matter. Online moderator, are there any questions waiting on the phone?

Operator: There are no phone questions.

Damian Roche: The next item of business is to consider the Remuneration Report, which commences on page 47 of the 2023 Annual Report. The wording of the proposed resolution, along with the direct and proxy votes for this item submitted prior to the meeting, are now shown on the screen. As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. The resolution on this item is advisory, however, we take shareholder feedback into consideration when formulating ASX's future remuneration policies.

A voting exclusion applies to this resolution, as set out in the Notice of Meeting. The Remuneration Report sets out the Board's assessment of management's 2023 performance against the objectives established at the start of the year. As outlined in my address earlier, FY23 has been a year where we have made significant strides to becoming a new ASX, with the launch of a new vision, values and strategy. We've taken hard

decisions, including the announced replan of CHESS. We are keenly aware of the impact this decision has had on our stakeholders.

You will recall that last year we received a strike on our Remuneration Report with around 30% shareholders voting against its adoption. The Board has been engaging widely this year and listening to your feedback. In particular, shareholders raised concern that the remuneration outcomes last year were not reflective of the issues with CHESS. These decisions were made in August 2022, prior to the commissioning of the Accenture report and subsequent decision to return to solution design.

The FY23 remuneration outcome summarised on page 52 of the Remuneration Report outlines some of the actions the Board has taken to ensure that the remuneration outcomes are appropriate for those with accountability leading the CHESS replacement project. During the year ended 30 June 2023, the Board also brought in new capabilities at Board level with the appointment of Vicki Carter and Luke Randell to the Board, in addition to enhancing ASX's governance processes.

We have also focused on renewing our leadership capability, with over 80% of the Group Executive being new or in new roles. We have made changes to rebalance our remuneration framework for this new executive team, which strengthens the focus on long-term sustainable financial performance through the extension of the long-term variable reward scheme to all Group Executives.

We have also aligned the performance hurdles to the five-year strategy through the introduction of a return on equity metric. We believe these changes create a more appropriate remuneration framework and will improve the alignment between the value generated for shareholders and the remuneration received by executives.

As the votes on the screen show, we have received broad support from proxyholders and direct votes ahead of this meeting. I will now take questions on this item. I invite questions from shareholders present in the room.

Peter Gregory: (Australian Shareholders' Association, Representative) Thank you. I'd like, first of all, to acknowledge and thank you for the changes in the long-term incentive program and also for the CHESS short-term incentive adjustment. However, our concern with the short-term incentive continues. Many of the STI measures are not based on quantifiable performance metrics and there is no statement of the weighting applied to each performance measure. It appears to have an overreliance on unexplained director discretion and does not meet the ASX guideline that Remuneration Reports should be readable, transparent and understandable for investors.

In the circumstances of a company embarking on a new direction, as ASX is, the STI has a very critical role in aligning company leadership with that new direction. Just in conclusion, we are voting against the Remuneration Report today and advise you that we continue to be available to assist you in developing an STI that is in the best interests of individual shareholders. Thank you.

Damian Roche: Thank you, Peter. I might make a comment on the STI and once again, both Melinda and I - Melinda is Chair of the Rem Committee - appreciate the engagement we've had with you through this process. We appreciate your comments on the actions we've taken around the accountability measures and also the changes to the LTI scheme. As we discussed in our meeting, we will be planning on making changes to our STI disclosures and scorecards in FY24.

What we've been focused on is really our five-year strategy and now that Helen has announced that strategy, in FY24 we will be aligning that scorecard with the new strategy and the recent accountability statements for executives are in place. So that is something we will coming back in FY24 with those changes, as we've discussed with you.

Giles Edwards: (Shareholder) Mr Chairman, Giles Edwards, shareholder. I note pleasantly on page 67 of the report that the Board fees remained steady from last year to this year, \$235,000 for a Non-Executive Director, \$550,000 for yourself. Given the problems we've had with CHESS and other things, I think that's proper that you should hold it steady.

That's where the good news ends because I notice the more shareholder-friendly metrics over the last year, net profit down 37%, NPAT, earnings per share down from \$2.62 to \$1.64 per share, that's a significant reduction for one year. Share price this time last year was something with an 8 in front of it or a 9, recently it's got a 5 in front of it. That's the metric that shareholders really do look at every day. Dividends down 3.4%, now you've said that you share our disappointment and yet there seems to be already a 21% vote against some elements of the Remuneration Report, so there's a bit of a disconnect there.

But the disconnect I'm more concerned about is that I see that Ms Lofthouse - and no disrespect to her personally - her fixed remuneration last year is listed on page 50 at \$825,000, this year \$1.9 million. Total remuneration for Ms Lofthouse last year \$1.2 million, \$2.3 million this year. Surely that's a disconnect and you're asking us to vote in favour of the Remuneration Report and there have been a number of problems with the ASX, which we've fairly threshed out here, I won't go over them again.

But if you're willing to share some of the pain, we hear this time and again, that you sympathise with shareholders, this is the focus, we share your pain, but Ms Lofthouse just as one metric, always a key issue is executive salaries. It has been for years and years and the Shareholders' Association has been going on about this for many years, two decades at least. How can you reconcile what you've said and the difficulties

involved and the negative metrics for shareholders with almost a doubling of Ms Lofthouse's remuneration in just 12 months? I don't get it.

Damian Roche: Thank you for the question. I think there's an important distinction to make here, that in the year previous Helen was the Group Executive for Markets and that salary reflects her role as the Head of Markets. But the numbers reported there reflect her stepping up to be the Chief Executive Officer. So that is Helen stepping into her new role and a change of basis as Chief Executive, taking on the responsibilities and leading the new strategy of ASX.

Giles Edwards: (Shareholder) So can we expect some restraint both at executive and non-executive level? Because it always seems to be to me that oh, it's been a tough year, we've got to pay more money to get more performance. Oh, it's been a good year, we've got to pay more money as a reward. There's no downside ever.

I challenge you to name three right now where there's been a significant downside measuring relative and relevant to shareholders' downside to share our pain. I can't think of one company - and I've got a few in my portfolio - where there's a real measure, a real measure of sharing the shareholders' pain on whatever particular metric.

Damian Roche: Look, I appreciate the performance of the share price and the disappointment. I would point you to our Annual Report and on page 52, where we outline the steps we've taken of executives. So the Group Executive pool was cut by 50%. We've taken measures to cancel previous awarded short-term incentives and in some cases cancelled long-term incentives. So I believe we've shown accountability and significant reductions for our executive staff.

If there are no more questions in the room, do we have any questions online?

Tracy Lee: Yes, thank you, Chair. There were several pre-submitted questions in relation to this resolution. Some of them have been covered by questions and answers in the room. I'll read out the one that hasn't been fully aired. The question is, can you explain what remuneration measures were applied to the former CEO and Deputy CEO?

Damian Roche: Thank you. We've outlined those in the Annual Report, but long-term variable rewards were cancelled, as were some short-term variable rewards.

Tracy Lee: Thank you, Chair. The next question on this topic reads as such. Will the Board please introduce a requirement for Non-Executive Directors to acquire and maintain shares equal in value to 100% of the Chairman's fees by the end of a director's third year on the Board.

Damian Roche: Thank you. We recently reviewed our director shareholding policy and our policy requires directors over a three-year period to acquire shares equal to their directors reward and that is for directors, the directors reward for Chairman's fee and we are in compliance with that policy.

Tracy Lee: Thank you, Chair. I can confirm there are no further written questions and I'll ask the online moderator to confirm if there are any participants waiting to ask a question on the phone.

Operator: Thank you, there are no phone questions.

Damian Roche: Thank you. The next item relates to a proposed grant of performance rights to Helen Lofthouse, ASX's Managing Director and CEO. Details regarding the proposed grant are set out in the Notice of Meeting. The wording of the proposed resolution, along with the direct and proxy votes for this item submitted prior to the meeting, are now shown on the screen.

As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. While there is no requirement under the ASX listing rules for shareholder approval to be obtained for the proposed grant to Helen, as explained in the Notice of Meeting, we believe it is good practice to do so. In addition, gaining shareholder approval will provide us with added flexibility on how we satisfy the award of shares at the time of vesting.

The performance conditions that apply to the proposed grant are outlined in the Notice of Meeting and are based on the proposed new long-term variable reward plan. We believe the performance criteria are appropriately demanding. They require that ASX must achieve an average annualised return on equity of at least 13% over a four-year period, or a total shareholder return at the 51st percentile of its peer group before any shares are allocated.

A voting exclusion applies to this resolution, as set out in the Notice of Meeting. I will now take questions on this item of business. I'll first of all invite questions from shareholders present in the auditorium. If there are no questions from shareholders, we'll move to questions online.

Tracy Lee: Thank you, Chair, there are no questions online. Phone moderator, are there any questions on the phone?

Operator: There are no phone questions.

Damian Roche: Thank you. I will now move to the re-election and election of Directors supported by the Board. ASX works hard to ensure it has the right mix of skills and experience around the boardroom table. As I have expressed before, Board renewal and continuing to strengthen the Board's collective skills in a

range of areas such as technology, project management and customer engagement has been a key area of focus and I believe Vicki Carter and Luke Randell make outstanding contributions in that regard.

I wish to thank all my Board colleagues for their contributions to the ASX over the last year. I believe they have served shareholders well. I encourage you to support Vicki and Luke's elections today and I would be grateful if you would support my re-election. Each Director standing today has the unanimous support of their fellow Directors. As the next item relates to my own re-election, I will pass the Chair of the meeting to the Audit and Risk Committee Chair, Peter Nash, for this item of business.

Peter Nash: Thank you, Damian. Damian retires by rotation at this meeting and offers himself for re-election. The wording of the proposed resolution is shown on the screen, along with the direct and proxy votes for this item submitted prior to the meeting.

Damian has spoken to his re-election in his opening remarks and details of his experience are set out in the Notice of Meeting. Damian was elected ASX's Chair in April 2021 and has served as a Director since April 2014. He's also Chair of the Nomination Committee and a member of the Audit and Risk Committee and the People and Culture Committee. Damian is also a Director of ASX Clear (Futures) Proprietary Limited and Austraclear Limited and the Chair of the intermediate holding companies for ASX's clearing and settlement licences.

Damian has over 30 years' experience in global financial markets, with extensive cross-asset class expertise spanning the equities, fixed income and commodities markets, with a specific focus on the Asia Pacific region, including Australia. Damian has provided valuable Board leadership and counsel to the Managing Director and CEO in her first year, as well as to the management team.

As set out in the Notice of Meeting, as Chair of the meeting for this item, I intend to vote all open proxies in favour of this item. The Directors unanimously support Damian's re-election. I now invite Damian to say a few words.

Damian Roche: Thank you, Peter. Thank you, shareholders. In my first address to you as Chair in September 2021, I highlighted that Board renewal was a key focus area for me as Chair, to ensure that we had the right skills and capability to understand ASX's evolving needs. In particular, I wanted to introduce fresh and contemporary perspectives to the Board and I was particularly determined to strengthen the Board's expertise in technology, cybersecurity and project management, as well as adding contemporary experience in financial markets, innovation and regulation and public policy.

I'm very pleased to say we have made great progress in this area. Last year we appointed Dave Curran and Heather Smith to the Board and established the Board Technology Committee to specifically strengthen the

Board's oversight of technology, data and cybersecurity strategies and risks. Earlier this year we appointed Vicki Carter and Luke Randell to expand the Board's skillset with contemporary expertise in complex transformational projects and in international capital and financial markets. Vicki and Luke will both address you shortly.

We have also been focused on uplifting governance during my time as Chair, including revisiting the Board's skills matrix and formulating Board tenure in our governance protocols. While the disappointing need to pause and reassess the CHES replacement project has been highlighted, I should also note that ASX has successfully implemented many technological upgrades and advancements during my time as Chair.

CHES continues to lead the world in clearing and settlement technology with name on register digital systems still not available in many key jurisdictions. Our severe incidents and settlement fail rates are among the lowest in the world.

We have upgraded the communications infrastructure that carries the trading, clearing, settlement and data information between ASX and its customers, replaced our secondary data centre, launched a new website and introduced new products such as CHES electronic statements, the technology and agribusiness indices and grown our electricity futures business. We're also committed to undertaking further enhancements and upgrades, including implementations and recommendations from regulators and independent experts.

Providing fresh and independent thinking in the subsidiary boards has also been a focus. During my tenure, we formalised requirements to ensure that there are non-ASX directors with a prominent role on the Clearing and Settlement Licensee Boards. The Chair of all licensees must be a non-ASX director and for ASX Clear and ASX Settlement at least half of the directors must be non-ASX directors. I'm indebted to Steve Knight for his chairmanship of these Licensee Boards and welcome John Buckley, who has recently been appointed as an additional independent Clearing and Settlement Director.

While the systematic process of renewal that I initiated was initially focused on the Board, it has recently provided for a reinvigoration of senior executive leadership. This started with the appointment of Helen as our Managing Director and CEO. Helen has since refreshed her entire leadership team, with several executives stepping into new roles, while others have been recruited from outside ASX.

This Group comes with experiences in both domestic and international markets and provides new ideas, insights and alternative ways of doing things. Importantly, this change is also occurring at other levels of the organisation, providing ASX with a deep and talented pool of future senior leaders.

My intention in seeking re-election today is to finish the task I set out to do when appointed Chair in April 2021. Today's annual meeting is my 10th as an ASX Director and will be the fourth time I've stood before you

to seek your support for my continued tenure. The process of Board renewal is not yet complete and I believe it is only right and proper that the next phase should include Chair transition. It is my intention, if re-elected, to assist the Board in this process and provide for an orderly transition.

Peter Nash: Thank you, Damian. We'll now take questions on this item of business.

Peter Gregory: (Australian Shareholders' Association, Representative) Damian, FY23 has had significant challenges with CHESS and ASX has experienced significantly negative consequences from the implementation of the CHESS replacement project. Current and former employees have appropriately paid a price for this. Damian, you have been a Director since the CHESS replacement project started and Chair since 2021 and therefore, we believe should accept responsibility alongside your colleagues.

On the basis of this, we believe we should be voting against your re-election. However, we recognise without a clear succession plan in place this would be extremely disruptive to the Company. So if you will commit to shareholders today to have a new Chair on board before the next AGM, ASA will support your re-election.

Peter Nash: I'll take that question and I think we've already been clear on this item, but just to reiterate, Damian has indicated that it is his intention to step down during his next term and that that timing will be driven by ensuring an orderly transition to the next Chair. The Board is very supportive of this and does not believe that being any more specific is in the best interests of the Company or shareholders. Are there any further questions?

Tracy Lee: Thank you, Mr Nash. I think there are no questions online. Can I check with the phone moderator for any further questions on the phone?

Operator: There are no phone questions.

Peter Nash: I'll now hand back the Chair to Damian.

Damian Roche: Thank you, Peter. The next item of business is the election of Vicki Carter. The wording of the proposed resolution is shown on the screen, along with the direct and proxy votes for this item submitted prior to the meeting. Vicki was appointed a Director of ASX by the Board in February 2023 and offers herself for election today.

As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. Vicki joins the Board with more than 35 years' senior executive experience. Vicki developed deep skills in strategy, operations, sales, human resources and transformation delivery in a career that spanned several sectors, including banking, insurance, wealth management and telecommunications.

Further information about Vicki's skills and experiences can be found in the Notice of Meeting and Annual Report. The Directors, with Vicki abstaining, unanimously support Vicki's election. I now invite Vicki to say a few words.

Vicki Carter: Thank you, Chair and good morning, ladies, gentlemen and fellow shareholders. I thank you for the opportunity to address you today. I joined the ASX Board as a Non-Executive Director in February and today I am offering myself for election to formalise my appointment.

The ASX plays a critical role in the Australian economy, providing access to and preserving the integrity of Australia's financial markets. The principle of fairness for all, which underpins our purpose, recognises our many stakeholders and informs our approach as the ASX embarks on a period of considerable change. Recently our CEO launched a comprehensive five-year strategy to ensure that the ASX remains strong and resilient in the future, with enhanced outcomes for its people, customers and stakeholders, including you, our shareholders.

The successful execution of multiyear strategies is challenging, requiring preparedness to change and a high level of discipline and accountability. In the time I've spent with the Board, I've observed a management team and Directors committed to embracing both. I believe I'm well positioned to make a strong contribution to the ASX, given my experience with large and complex transformations. In my executive and non-executive director roles I've gained useful perspectives on what it takes to embed cultural change, uplift risk capability and utilise technology to enhance customer experience and drive commercial outcomes.

My most recent executive role was Executive Director Transformation Delivery overseeing Telstra's T22 strategy. I've also held senior roles in banking, insurance and wealth management. My executive and non-executive roles have been in highly regulated industries, where I've led large customer-driven businesses, transformation programs and also people and culture.

As a Non-Executive Director of Bendigo and Adelaide Bank, I chair the People, Culture and Transformation Committee, overseeing the key transformation projects for Bendigo and Adelaide and also broader people-related matters, including remuneration. This committee superseded the Technology Committee of which I was also Chair. In addition, I'm a member of Bendigo's Risk Committee and Chair of its subsidiary, Sandhurst Trustees Limited. As a Non-Executive Director of IPH Limited, I'm a member of all board committees and Chair of a newly formed Projects Committee, which will oversight IPH's transformation initiatives.

In addition to my relevant experience, I have the required capacity and commitment to meet my obligations as a Non-Executive Director and committee member of the Technology, People, Culture and Nominations Committee for the ASX. With your support for my election, I will work hard to make a positive contribution on your behalf and on behalf of our people and our customers. Thank you.

Damian Roche: Thank you, Vicki. I will now take questions on this item of business.

Peter Gregory: (Australian Shareholders' Association, Representative) Vicki, thanks for those comments and in part you've answered some of what I want to put to you now. Given your specific experience at Telstra, can you please share your views considering ASX's stated purpose, vision and four pillar strategy? What are the specific things that need to happen within ASX to enable a successful implementation of its transformation program?

Vicki Carter: Thank you, thank you for the question. I think that in part, as you said, I alluded to some of the key ingredients for success in my view and in my experience. One is absolutely that preparedness to do things differently, perhaps embrace new ways of working, but drive execution with real accountability across a range of things that are important to the Company. I think the thing about the ASX strategy, the new five-year strategy, is it is looking outwards to customer outcomes, that's incredibly important. It is refreshing the culture of the ASX, such that there's an enterprise view around what's important internally and externally.

It is embracing new perspectives around being data-driven as well. Very importantly, in response to the current climate, it is addressing those fundamentals from which everything else grows. I think it's broad-based, but I also think it's very purposeful and considered in terms of making sure that in the first instance we're dealing with those things that are most important around great fundamentals and the tech modernisation, which are critical issues for the organisation right now.

But importantly, it has a multiyear focus to make sure that those customer outcomes are addressed as well. I think the other thing I'd say is that there's very strong evidence around different ways of working and a new level of discipline and accountability in terms of the approach to the implementation and that's incredibly important as well.

Damian Roche: Thank you, Vicki. If there are no more questions in the room...

Huy Nguyen: (Shareholder) Hello, my name's Huy Nguyen, I'm the Fund Manager of the Lotus Asia Fund and we are a shareholder of the Company. My question is to Helen and also to Vicki. We have been now discussing one and a half hours about the status quo of the business and the core business of ASX is the stock exchange, right? So this is like a technology platform who - with the most important task is to run a stock exchange and this is actually a technology company, right?

So what I've heard until now is I have the impression that we are just discussing about keeping the status quo and to keep the licence and when we look at the revenue of the Company since the last five, six years, we still have a flattish - and we're talking about dividend, but we've heard nothing about the new [unclear]

which will increase the revenue and also the growth of the Company, which is quite important because without new growth we will not be able to pay a dividend to the shareholders.

My question is, what are the actions that the Board as well as the CEO is going to take to keep or to maintain the Company as a strong technology platform? Because by no means - the problem that we have at the moment with CHES is not the only one that we have, we are not the only one stock exchange in the world. All the other stock exchanges have the same problem and they somehow manage to tackle this problem.

I've also seen here that only just one of the executive team, Helen, is here but I see the majority of the Board. So obviously the Board plays a very important role in all kinds of decisions, so what actions are you going to take to keep the Company as strong as it is, but also how to grow it to a very strong competitive position in the next years?

Damian Roche: I might take that question and thank you for that question. I think that was probably a question for the general items, but I think we can cover it. I think back in June we outlined our five-year strategy and yes, the short-term immediate priorities are on technology modernisation and regulatory commitments. But that's really laying the foundation for what Helen's talked about extensively, which is growth-driven by and adjacent to our customers.

As a Board that is something that we are very focused on and looking at ways of growing with our customers and responding to their needs and growing businesses with our customers' needs. But in the short term we've been focused on really making sure that the core platforms are addressed via technology modernisation, we're responding to our regulatory commitments, but we are focused on that long-term growth and that's really what's underpinning these decisions.

Huy Nguyen: (Shareholder) I have no other questions.

Damian Roche: Thank you. Any questions online, Tracy?

Tracy Lee: No, Chair, there are no questions online. Can I check on the phone if there are any questions?

Operator: There are no phone questions.

Damian Roche: Thank you. The next item of business is the election of Luke Randell. The wording of the proposed resolution is shown on the screen, along with the direct and proxy votes for this item submitted prior to the meeting. Luke was appointed a Director of ASX by the Board in April 2023 and offers himself for election today.

As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. Luke has close to 40 years' experience in capital markets, with a strong understanding of international finance, following several

senior roles within investment firm Citi. His experience spans markets in Australia, Asia Pacific, Europe, the Middle East and Africa. Prior to joining ASX, Mr Randell was Head of Markets and Securities Services for Citi Australia and New Zealand.

Further information about Luke's skills and experiences can be found in the Notice of Meeting and Annual Report. The Directors, with Luke abstaining, unanimously support Luke's election. I now invite Luke to say a few words.

Luke Randell: Thank you, Chair and good morning, fellow shareholders. As you've been made aware that I joined the Board, appointed to the Board in April of this year and today I'm seeking your formal support for my election. I'd like to take this opportunity to share some information about myself, my thoughts and the skills that I bring to the ASX.

As a professional user of financial markets pre-incorporation of the ASX, I have observed how the exchange has evolved over time, being able to provide input through my places of work and professional bodies. Examples include seeing the introduction of the first ETF international warrants and sponsoring new products throughout the Australia and New Zealand markets.

As a member of the Australian Financial Markets Association Board, Chair and Deputy Chair of many subcommittees, I've been able to work with the industry stakeholders to have a say in the overall running and structure of the Australian and New Zealand marketplaces.

This being the case, it's been a real highlight for me to now be involved with an institution such as the ASX, given its special role in providing critical market infrastructure and facilitating the efficient flow of capital and management of financial risks. One of my key observations since joining the Board has been witnessing the quality engagement between Directors and management, which has been particularly important given the well known public issues and challenges of the ASX.

This is a Board and management team who are owning the issues and are working strategically to ensure ASX navigates a path forward in a way that considers the investment needed to realise a new vision for a new era ASX. I have personally witnessed and contributed to the efforts of the Board as we work to address the issues and regain market confidence. This has been energising and has made an easy decision for me to commit to serving on this Board.

My work with the ASX also extended to serving as Director of the ASX Clearing and Settlement Licences, as well as being a member of the Audit and Risk Committee. Before joining ASX, as Damian said, I've spent close to 40 years gaining deep experience in financial markets.

Most of my time was spent in capital markets roles, both domestic and international exposure and I've served in a leadership capacity in firms such as Citi, Salomon Smith Barney and NatWest Markets. Roles from Chief Executive positions to Head of Banking, Markets, Relationships and Trading and that each one of these roles either directly or indirectly has an oversight of the financial markets ecosystem.

I was very fortunate to be repatriated back to Australia six years ago, where my recent role was the Head of Global Markets and Security Services for Citigroup Australia and New Zealand. This allowed me to bring the insights to our Board discussions and draw upon a contemporary view of stakeholder relationships and market dynamics. In this role I've been able to bring expertise across areas including risk, stakeholder engagement, relationship management, corporate advisory and product innovation.

With my markets focused skillset, I hope to be able to complement the other skills on the Board. I've been willing to challenge management where required and I understand my role always as being seeking to represent the shareholder interests. I have the time and the capacity to commit to this role. ASX is now in the phase of transformation and is focused on building confidence amongst our stakeholders. I'm excited to be a part of this and if elected, look forward to continuing to serve our shareholders. Thank you.

Damian Roche: Thank you, Luke. I will now take questions on this item of business.

Peter Gregory: (Australian Shareholders' Association, Representative) First of all, a general comment to the Board. We have commented before that the minimal information in the ASX Board's skills matrix makes it difficult for shareholders to decide when voting on Director elections. We encourage ASX at least to list the individual skills of each Director to make that document more meaningful for us and to make it more useful in determining how to vote and in Director elections.

Luke, I'd like to ask you with reference to the ASX Board's skills matrix, can you please provide the most - describe the most critical skills that you bring to the Board and how you will provide additionality over other Directors within the Board, with particular reference to your international experience.

Luke Randell: Thanks for the question, Peter. As I said in my presentation, at the end of the day the ASX is a financial markets institution, and we know the businesses of listings, trading, clearing and settlement are our key business and for the last 40 years I've basically spent my career either directly or indirectly involved. So I'd say my skills to the Board would be understanding the workings of the exchange, its products, its processes and its risks and to the stakeholders involved.

I think what was interesting, to your matrix, if we look across the matrix, the financial representation is only few and that's why being on this Board with my fellow Directors I feel like I can complement it. You know you talked about international experience, I think when you are putting offshore offices you do experience different

regulators, different market conditions, different kinds of impacts that the markets can present at any one time.

It's that that I can bring back to the Australia and New Zealand markets, which I did when I was repatriated back and kind of give my insights in terms of how other exchanges and how other regulatory areas work across the globe.

Damian Roche: If there are no more questions in the room, are there any questions received in advance or through the online platform?

Tracy Lee: Thank you, Chair, there are no questions online. Can I check if there are any questions on the phone?

Operator: There are no phone questions.

Damian Roche: The next item of business is the election of Mr Philip Galvin. In accordance with article 12.9 of the ASX Limited constitution, Mr Galvin, an external non-endorsed candidate offers himself for election. The wording of the proposed resolution is shown on the screen along with the direct and proxy votes for this item, submitted prior to the meeting.

The Board, supported by the Nomination Committee, reviews the size and composition of the Board, having regard to the Board's skills matrix and the objective that the Board comprise the mix of skills, expertise, experience and diversity required for the Board to discharge its obligations effectively.

As part of its succession planning and commitment to refresh talent, skills and experience on the Board, the Board appointed two new Directors in 2023. Importantly, the Board is satisfied that the current composition of the Board aligns with ASX's strategic objectives. The Board has carefully considered Mr Galvin's nomination and we do not believe his appointment would add to the overall skills, expertise and experience of the Board.

Further information about Mr Galvin's skills and experience can be found in the Notice of Meeting. As set out in the Notice of Meeting, I intend to vote all open proxies against this item. The Directors unanimously recommend that Mr Galvin not be elected. I will now invite Mr Galvin to say a few words.

Philip Galvin: Good morning, fellow shareholders. Chair, could you go back one slide please, go back one slide.

Damian Roche: Simon, are we allowed to go back one slide please?

Philip Galvin: You wouldn't mind correcting my name, would you?

Damian Roche: Apologies, we will.

Philip Galvin: Thank you. As I said, good morning, fellow shareholders. First of all, I would actually like to thank all shareholders and advisors who even gave my self-nomination even a moment's consideration, very much appreciated. I actually did have a statement prepared but given the numbers on that screen I think I will wish the Board and shareholders all the very best for the future and now gracefully fully retire. Thank you.

Damian Roche: Thank you, Mr Galvin. Are there any questions in the room? Are there any questions that we have received in advance through the online platform?

Tracy Lee: Thank you, Chair, there are no online questions. Moderator, are there any questions on the phone?

Operator: There are no phone questions.

Damian Roche: The next item of business is the spill resolution. This item has been included on today's agenda conditional upon at least 25% of the votes on item 3, the adoption of the Remuneration Report, being cast against it. The adoption of the Remuneration Report is being considered on a poll and the results will not be known for a certain - until the end of the meeting. As a result, we are putting this item to the meeting as a matter of prudence. The results for this resolution will only be valid if item 3, which considers the adoption of the Remuneration Report, receives less than 75% support from all votes cast.

In the event that more than 75% of votes are cast in favour of adopting the Remuneration Report, the spill resolution will not be effective, but the results of the resolution will still be released to the ASX. The wording of the resolution is shown on the screen. If the spill resolution is passed, ASX will be required to hold a further general meeting, referred to as a spill meeting, within 90 days after today's AGM.

In that case, all of the current Directors, other than the Managing Director and CEO, will cease to hold office immediately before the end of the spill meeting. Each of the relevant Directors would be eligible to seek re-election at the spill meeting. The direct and proxy votes for this item submitted prior to the meeting are now shown on the screen.

As set out in the Notice of Meeting, I intend to vote all open proxies against this item. A voting exclusion applies to this resolution as set out in the Notice of Meeting. I will now take questions on this item of business. I invite questions from shareholders present in the room. Are there any questions that were received in advance or through the online platform?

Tracy Lee: Sorry, Chair. Thank you, there were no questions online. Phone moderator, are there any questions on the phone?

Operator: There are no phone questions.

Damian Roche: That concludes the formal items of business for this meeting. A reminder to shareholders and proxyholders in the room to complete the voting instructions on the back of the yellow voting card. Yellow voting cards will be collected shortly by representatives of the share registry.

Shareholders and proxyholders attending online should submit their votes via the online platform. The poll will close five minutes after the conclusion of the meeting. For those online, a five-minute countdown timer will appear at the top of the screen in the online platform. Please complete your voting and remember to press submit before you disconnect from the meeting.

As mentioned earlier, the results of the AGM will be announced the ASX once the votes have been counted and verified. Ladies and gentlemen, I now formally declare the 2023 AGM of ASX Limited completed, subject to the finalisation of the poll. Once again, thank you for participating in today's meeting and for your support of ASX.

[END OF TRANSCRIPT]