AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Australian Shareholders' Association
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ASX, still on a journey of transformation

Company/ASX Code	ASX Limited/ASX
AGM time and date	10:00am on Thursday, 23 October 2025
Location	ASX Auditorium, Lower Ground Floor, Exchange Square, 18 Bridge Street, Sydney
Registry	MUFG Corporate Markets
Type of meeting	The meeting will be hybrid with a webcast, without online voting; shareholders must vote or appoint a proxy in advance.
Monitor	Peter Gregory and Sue Howes
Pre-AGM Meeting	With Chair, David Clarke; NED, Vicki Carter; Simon Starr, GM Investor Relations; Will Milthorpe, GM Reward.

Monitor Shareholding: The individuals and their associates involved in the preparation of this voting intention have no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
3	Adoption of Remuneration Report	For
4	Grant of Performance Rights to the Managing Director and CEO	For
5a	Re-election of David Curran	For
5b	Re-election of Dr Heather Smith	For
5c	Election of Anne Loveridge	For
6	Spill Resolution – Conditional Resolution	Against

2. Summary of Issues and Voting Intentions for AGM/EGM

- ASX is now almost halfway through its 5-year New Era Transformation Plan. Shareholders do not have good visibility to what has been achieved to date and how it will create a stronger company that delivers long term positive outcomes for shareholders. The plan's implementation should be supported by clear, time delineated milestones that are rigorously managed and regularly reported to shareholders
- While ASX has introduced some positive changes to its Short-Term Incentive, ASA is still asking for an STI that more clearly aligns with shareholder interests. In particular through the inclusion of metrics that reflect the accountability and achievements of the New Era 5-year plan.
- Regulatory relations have come under increased scrutiny following the CHESS batch settlement incident on 20 December 2024 and subsequent actions by the RBA and ASIC, including a joint letter (28 March 2025) and ASIC's June 2025

compliance assessment. These developments are expected to present additional regulatory and operational challenges.

See ASA Voting guidelines and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT ($m)	502.6	474.2	317.3	508.5	480.9
UPAT ($m)	510	474.2	540.2	508.5	480.9
Share price ($)	69.76	60	63	81.71	77.71
Dividend (cents)	223.3	208	228.3	236.4	223.6
Simple TSR (%)	19.9	-1.53	-20.1	8.17	-6.23
EPS (cents)	259.1	244.8	163.9	262.7	248.4
CEO total remuneration, actual ($m)	2.4*	3.03	2.31	4.54	4.31

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

*Note the CEO volunteered to forgo all of her STI award for FY25

ASX results for FY25 were positive with a 7% increase in operating revenue to $1.11 billion; Underlying and Statutory NPAT increased 7.5% and 6.0% respectively.

Underlying return on equity, a key measure of performance for ASX was 13.6%, up by .6%.

Expenses increased by 7.2% driven by an expected increase in technology spending and higher depreciation and amortisation.

The total dividend (fully franked) up 7.4% to $2.23 and pleasingly for shareholders a reversal of the negative TSR of the past two years to a positive 19.9%.

Revenue by business:

$m	FY25	FY24	FY25 vs FY24
Listings	208.0	208.2	(0.1%)
Markets	349.2	315.4	10.7%
Technology & Data	275.6	255.1	8.0%
Securities & Payments	274.4	255.6	7.4%
Operating revenue	**1,107.2**	**1,034.3**	**7.0%**

Listings – revenue is positively influenced by higher market capitalisation and fee increases, offset by reductions in initial listing (recognised over a 5-year period) and secondary raising. Listings are the underlying driver of the overall ASX business.

Markets – futures and OTC grew due to higher global interest rate volumes. Increased volatility led to higher cash market trading activity.

Technology and data – High demand combined with the delivery of innovative new solutions to solve customer business problems.

Securities and payments – the revenue growth is largely driven by increased market activity during the year.

A full description of the FY25 results and strategies by segment is presented in pages 14 to 19 of the Annual Report.

Governance and culture

Future plans – ASX's New Era.

At the June 2023 Investor Day, the CEO announced "A New Era" for ASX and gave an overview of the ASX New Five-Year Strategy.

In its June 2024 Investor Forum, ASX shared its "indicative technology roadmap" with a view out to FY27 and beyond. This describes general plans to modernise technology including the CHESS replacement project. This is a very important piece of work for ASX flowing on from the financial and reputational cost of the CHESS project to date. Also, at this Forum an update on the overall "New Era" for ASX was provided together with guidance on actions planned for year 2.

At the end of FY25 the CEO announced a new program, Accelerate, which appeared to be a review of the New Era plan to date to determine if ASX has the right skills and capabilities in place. The Board has clarified that Accelerate is about prioritising the projects in the New Era plan, increasing the pace and resources allocated to key projects, and achieving a companywide approach through Board oversight. Nevertheless, Accelerate appears to be an appropriate adjustment to the existing plan rather than something fundamentally new.

We have suggested that, given ASX's outcomes for shareholders over recent years (~20% reduction in TSR from 30 June 23 to 9 October 2025), there is a need for better communication about the progress of the New Era Transformation Plan so that shareholders understand what is happening within their company and become more confident about its future. ASA is concerned that without a well-documented set of milestones, rigorous oversight and proactive management of them, ASX may continue to disappoint.

Note, we are satisfied that the technical road map appears to be on track and are looking forward to seeing the phase 1 (Cash Market Clearing) of the CHESS project go live by June 2026.

These statements do not in any way diminish ASA's recognition that the requirements of the ASX's regulators are paramount.

<u>Board contribution</u>

We see that through the Board having met 22 times during FY25, it has recognised there is a need for it to be more directly involved with the leadership of the company and to get the ship on the right course. This cannot be a long-term strategy.

<u>Culture</u>

In the FY25 Sustainability Report the Employee Engagement survey result is described as unchanged at 62. While the level of internal and external change is stated as impacting on this outcome, no further information is provided as to issues raised by the survey. An extensive description of ASX's people initiatives and programs is provided in the report, and we hope that, as engaged employees will contribute greatly to the success of ASX, a marked improvement will be seen for FY26. We note that ASX does not provide staff turnover information.

<u>Payments to political parties</u>

ASX's has continued membership of both the Federal Labor Business Forum and the Liberal Party Australian Business Network. Each is paid fees of $40,000. While ASA does not support companies making payments like this, ASX maintains that membership of these business networks provides an important opportunity for ASX to engage with a wide range of policy and decision-makers.

Key events

On 28 March 2025 the RBA and ASIC sent a joint letter of concern to ASX re the CHESS Batch Settlement Failure on 20 December 2024.

On 16 June 2025 Australian Securities and Investments Commission (ASIC) announced a compliance assessment and inquiry into the obligations of ASX's market licensees and clearing and settlement licensees under ss794C and 823C of the Corporations Act. There have been a number of regulatory issues that have arisen with ASX, and this assessment will address all of these and identify action required. ASA expects that ASIC will include consideration of ASX processes for granting waivers and other ASX ruling questions.

To support the assessment, ASIC has appointed an expert panel to examine the frameworks and practices within the ASX Group in relation to governance, capability and risk management. The panel comprises Rob Whitfield as Chair, and Christine Holman and Guy Debelle as panel members.

ASX has budgeted additional operating expenses of between $25 million and $35 million in FY26 for the Inquiry due to increased resourcing, the establishment of a secretariat to manage its response, legal costs, and other internal and external related costs. The panel is expected to report in March 2026.

Key board or senior management changes

Board

As part of the Board Renewal Process, Anne Loveridge joined the Board in July 2025, Melinda Conrad retired on 15 August 2025, and Peter Nash retired at the conclusion of the September Board meeting. 78% of board members now have served 4 years or less. An additional director is being sought with tech infrastructure and financial markets skills.

The Audit and Risk Committee has been split into two separate committees to gain stronger focus on these critical areas. It is expected that there will be announcements about changes in Committee Membership and Leadership.

Senior management

Jamie Crank was promoted to Group Executive, Technology and Data in Sept 2024.

Garth Riddell was appointed Interim Chief Compliance Officer in Aug 2025.

Dirk McLiesh was appointed Chief Risk Officer in March 2025.

Darren Yip's responsibility as Group Executive Markets was expanded to include Listings in June 2025.

9 of the 11 Group Executives have been appointed or had a change in their responsibility since January 2023. This is very significant change at this level, and we would have expected to see an explanation.

Sustainability/ESG

ASX's sustainability is delivered through two key pillars of a Sustainable ASX and a Sustainable marketplace.

ASX has active programs to minimise its carbon impact. It has achieved net zero for its total Scope 1 &2 emissions, through seeking opportunities to reduce these, but largely by purchase and surrender of offsets.

And secondly as a market operator that supports the listing and trading of sustainable assets to support customers as they navigate their own sustainability risks and opportunities. As a credible market operator ASX is seeking to simplify trading of these assets and also benefit from this business opportunity.

An extensive description of both pillars and ASX's achievements is provided in the Sustainability Report on pages 22 to 47 of the Annual Report.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Shareholder engagement and AGM participation

ASX is holding its FY25 AGM as a hybrid meeting, although shareholders, who can't attend the meeting in person, will not be able to vote during the meeting. They will need to vote through the share registry before the AGM. Therefore, they will not have the opportunity to hear the presentations by the Chair and CEO, Remuneration presentation, and addresses of directors seeking election before voting. They will also not benefit from hearing comments or questions raised by other shareholders attending the meeting. ASA is concerned that this limits the ability of these shareholders to participate in the AGM.

In previous years ASX have provided a video recording of the AGM that has been readily available on the ASX website. The recording of the FY24 AGM is available on the ASX website, but it is very difficult to locate. This is an important resource for shareholders.

4. Rationale for Voting Intentions

Resolution 3 - Adoption of Remuneration Report (for)

It was difficult deciding whether ASA should support this resolution.

On the one hand ASX had serious risk management and regulatory shortcomings during FY25. The Board has appropriately dealt with this by reducing the STI payment to KMP by 50%. The CEO has voluntarily offered to forgo all her STI entitlement. While regrettable that these decisions needed to be made, it does demonstrate that the Board is serious about making material adjustments to remuneration as required.

On the other hand, we are concerned that there is insufficient connection between the New Era Transformation Plan and the performance metrics as shown in the Strategy and Transformation section of the STI. This omission will be raised at the AGM.

Refer to Appendix 1 for a more detailed commentary about specific items in the Remuneration Report.

However, on balance we see action taken when needed and a preparedness to improve the STI, and we expect ASX will engage with us to achieve a fairer outcome for the executives and shareholders. We will vote undirected proxies for this resolution.

Resolution 4 - Grant of Performance Rights to the Managing Director and CEO (for)

These performance rights will vest if the ROE and TSR hurdles, as outlined in the notice of meeting, are met on 23 October 2029. We consider the targets that have been properly set, and the maximum level is sufficiently challenging. It is intended that any performance rights granted will be acquired on-market.

Resolution 5a - Re-election of David Curran (for)

David Curran, through his background brings necessary experience in technology projects and transformation and cyber. It is essential that the Board has these skills to enable effective oversight of the technology road map and other critical technology related matters. He serves as the Chair of the Technology Committee. At the AGM we will ask him to provide shareholders with more specifics of his role in the implementation of the New Era plan.

Resolution 5b - Re-election of Dr Heather Smith (for)

Heather Smith, through her experience in senior roles in the Australian Public Service, had deep exposure to public policy, innovation and technological change, national security and economic reform, and knowledge of government and the public sector that will assist the

Board in working with its regulators. At the AGM we will ask her to provide shareholders with more specifics of her role in the implementation of the New Era plan.

Resolution 5c - Election of Anne Loveridge (for)

Anne Loveridge has experience in both executive and non-executive roles within highly regulated financial services organisations, including serving on several ASX-listed company boards. She has the appropriate skills to contribute to the Audit and Supervision Committee and the Risk Committee.

Resolution 6 Spill Resolution – Conditional Resolution (against)

ASA regards a Board Spill for ASX as being too disruptive to the governance and operation of the company, especially while responding to the ASIC compliance. If it is put to the meeting undirected proxies will be voted against it.

Appendix 1
Remuneration framework detail

CEO rem. Framework for FYXX	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	2.0	49%	2.0	31%
STI - Cash	0.85	21%	1.22	19%
STI – Equity. Deferred over 1 and 2 years	0.85	21%	1.22	19%
LTI – target shows minimum award value	0.37	9%	2.0	31%
Total	4.07	100.0%	6.44	100%

*The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.*

We have reviewed the changes to the remuneration plan and are happy with the fixed remuneration, the wider inclusion of the executive to the remuneration plan and the LTI structure and hurdles.

However, we still have significant issues with the short-term aspects of the plan. With a strike against it last year, and significant issues arising during the year, we had hoped for a more comprehensive review of the STI, particularly given the extensive feedback provided by ourselves and others.

The plan has improved with regard to disclosing outcomes, however much of what is being measured is still quite opaque.

Taking each item one at a time:

Shareholder

- The “shareholder” metrics have been pulled together and given an overall weighting of 50%.
- While we can see the performance on each of these items, we have the following issues:
    - The descriptions are really descriptive of the graphic, rather than telling you why or how the Board decided that this was a reasonable level for the result achieved.
    - There is no way to determine the weighting of any individual metric and therefore its influence on the overall result for this section (an issue we have raised for several years). It appears that some discretion is used here.
    - Underlying NPAT, while normal for remuneration as a metric, does have issues when included for ASX. In most companies, management can significantly influence the variability of revenue through sales and customer retention activity. At ASX, to a large degree revenue is influenced by the activity level of the market, which is not really in the control of management and may, to some extent, result in reward not matching effort.
    - Operating expenditure is largely “doing your job” and the result was, by definition, average.
    - CAPEX, as raised in prior years, could be counterproductive as it may incentivise management to reduce spend on IT.
    - Optimising the cost profile is a good metric, but management didn’t make target on this one.
    - Overall, the only metric management met stretch on was NPAT, as discussed, largely out of management’s control at ASX.
    - However, our biggest issue is the way that this is displayed in the table. The 47% might seem to many shareholders to actually be quite reasonable given the performance of the company over the year and the overall average quality of the result, considering the NPAT effect. But what it actually means is that the Board rated management as achieving at 47/50 – high marks for a rather average result. It appears that the targets (company budget) do not sufficiently represent the outcomes expected of very talented people.

Strategy and transformation

- There is not a direct link to the progress or achievement of milestones of the New Era Transformation Plan. This plan, for FY25, should be 40% completed.
- The Board has applied discretion to reduce the customer satisfaction metric given it was sampled before issues became apparent.
- Risk culture is below expectations with no explanation as to what this actually means – given the role of the ASX is to manage operational market risk. This metric seems to not rate particularly highly given the overall rating for this section was 37/40.

- The regulatory and resilience target was pulled back due to the CHESS issues.
- The critical platform delivery still lacks clear, measurable targets with clear and meaningful descriptions of where these projects are at and how this rating was decided upon.
- There are 5 metrics in this section. The result on the first is set at stretch, but we would question this given outages and ASIC and RBA review comments, the next two achieved well below average results, the third, a resilient tech stack, was marked as achieving stretch but exclude CHESS and the last was the CHESS project, the results of which are opaque – and the overall rating was 37/40.

Leadership

- Employee engagement. Ms Lofthouse has been in the role for several years now. In FY22 the engagement rate saw a decline from 73% to 64%. It has reduced further since then to 62% this year. The result comes in just below threshold and the stretch target is 69%.
- Women in leadership moved from 37.7% to 42.3%.
- The overall result was 10/10. We would suggest that perhaps the women in leadership should not have such a prominent position in this set of metrics given the poor result on the employee engagement. How this was rated at 10/10 is puzzling.

Board Discretion

The Board used its discretion to reduce the overall result to 50% after the operational risk issues and the comments made by the regulators regarding ASX ability to manage the core aspects of its business: risk.

We would suggest that if the remuneration plan were appropriate, measured the right things, and had appropriate metrics that were rigorously interrogated by the Board, that the outcome of the plan should have reflected actuality without the need for the Board to use its discretion. A risk gateway measure on some or all of the STVR award could be included.

As ASA has been saying for several years, the STVR part of this remuneration plan does not seem fit for purpose.

CEO foregoing STVR

While it is commendable that the CEO volunteered to forego her STVR, given the outage and the core to operations risk issues raised by the regulator, we would suggest that in many other organisations these circumstances would have led to questions about continued employment of the CEO.

Combining this with the leadership outcomes in the STVR, the lack of clarity around the milestones and progress of the CHESS replacement project and the serious, core issues raised by the regulator as well as the items raised above, we question both the efficacy of the STVR section of the remuneration plan and also the Board’s ability to rate these metrics and take hard decisions.