



18 August 2022

Australian Securities and Investments Commission  
Mr Nathan Bourne  
Senior Executive Leader, Market Infrastructure  
Level 5, 100 Market Street  
SYDNEY NSW 2000

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### ASX LIMITED – RESULTS FOR ANNOUNCEMENT TO THE MARKET

In accordance with the Listing Rules, ASX encloses for immediate release the following information:

1. Appendix 4E
2. ASX Limited Annual Report 2022

ASX will hold a briefing on the full-year results from 10:30am (Sydney time) today. Register to view the briefing [here](#).

The webcast will be archived on [ASX's website](#) for viewing after the live event.

Release of market announcement authorised by:  
**Daniel Moran**  
Group General Counsel and Company Secretary

Further enquiries:

#### Media

David Park  
Senior Adviser, Media and Communications  
T +61 2 9227 0010  
M +61 429 595 788  
E [david.park@asx.com.au](mailto:david.park@asx.com.au)

#### Analysts / Investors

Simon Starr  
GM, Investor Relations and Sustainability  
T +61 2 9227 0623  
M +61 416 836 550  
E [simon.starr@asx.com.au](mailto:simon.starr@asx.com.au)

20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square NSW 1215

Customer service 13 12 79  
[asx.com.au](http://asx.com.au)



ASX Limited and its  
controlled entities

## Appendix 4E

### PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022 AS REQUIRED BY ASX LISTING RULE 4.3A

| Results for announcement to the market (All comparisons to year ended 30 June 2021) | \$m       | Up/down | Movement % |
|-------------------------------------------------------------------------------------|-----------|---------|------------|
| Revenue from ordinary activities <sup>1</sup>                                       | \$1,082.8 | up      | 6.5%       |
| Revenue from ordinary activities excluding interest income <sup>1</sup>             | \$1,027.9 | up      | 7.5%       |
| Profit after tax from ordinary activities                                           | \$508.5   | up      | 5.7%       |
| Underlying profit after tax                                                         | \$508.5   | up      | 5.7%       |

<sup>1</sup> Revenue from ordinary activities for the current period includes \$13.9m relating to the share of net loss of equity accounted investments, \$5.9m in the prior comparative period (pcp).

| Dividend information                                 | Amount per share (cents) | Franked amount per share (cents) | Tax rate for franking credit |
|------------------------------------------------------|--------------------------|----------------------------------|------------------------------|
| Interim 2022 dividend per share (paid 23 March 2022) | 116.4                    | 116.4                            | 30%                          |
| Final 2022 dividend per share determined             | 120.0                    | 120.0                            | 30%                          |

#### Final dividend dates <sup>1</sup>

|                  |                   |
|------------------|-------------------|
| Ex-dividend date | 8 September 2022  |
| Record date      | 9 September 2022  |
| Payment date     | 28 September 2022 |

<sup>1</sup> Dates are subject to final ASX Board approval

The Company's Dividend Reinvestment Plan (DRP) will not apply to the final dividend.

|                                  | 30 June 2022 | 30 June 2021 |
|----------------------------------|--------------|--------------|
| Net tangible assets per security | \$6.03       | \$6.04       |

Additional information supporting the Appendix 4E disclosure requirements can be found in the Annual Report which contains the Directors' Report and the 30 June 2022 Financial Statements and accompanying notes.

This report is based on the consolidated financial statements for year ended 30 June 2022 which have been audited by PricewaterhouseCoopers.

# ASX LIMITED

ANNUAL REPORT 2022

For personal use only



ASX



## WHO WE ARE

ASX is an integrated exchange offering listings, markets, securities and payments, and technology and data services.

We operate markets for a wide range of asset classes, including equities, fixed income, commodities and energy. We are a top 10 global securities exchange by value and the largest interest rate derivatives market in Asia.

Companies and other issuers of capital from Australia and around the world engage with ASX to manage risk and raise capital to sustain and grow their businesses.

We operate liquid, transparent and reliable markets of integrity. The certainty and security of our clearing and settlement activities help underpin the systemic stability of the Australian economy.

ASX also provides data and technology services to intermediaries, banks, information vendors and software developers to help them make informed decisions, offer services to their clients and connect with one another.

ASX has a proud history as an early and successful adopter of new technology. Today, we continue to embrace innovative solutions to make life easier for customers, help companies grow, create value for shareholders and advance the Australian economy.

Through the expertise, experience and passion of our people, ASX strives to be the world's most respected financial marketplace, built on our trusted actions, resilient operations and the efficiency of our markets.

More information about ASX can be found at [www.asx.com.au](http://www.asx.com.au)

## CONTENTS

|     |                                    |
|-----|------------------------------------|
| ii  | Who we are                         |
| 02  | Our vision and strategy            |
| 03  | FY22 highlights                    |
| 04  | Chair's letter                     |
| 08  | CEO's year in review               |
| 12  | Operating and financial review     |
| 24  | Sustainability report              |
| 32  | Corporate governance statement     |
| 46  | Remuneration report                |
| 71  | Directors' report                  |
| 73  | Auditor's independence declaration |
| 74  | Financial report                   |
| 122 | Key financial ratios               |
| 123 | Transaction levels and statistics  |
| 126 | Shareholder information            |
| 129 | Directory                          |

**ASX** operates at the heart of the globally attractive, deep and liquid Australian financial markets.



# TOP 10

global securities  
exchange by value



# LARGEST

interest rate derivatives  
market in Asia

ASX will hold its Annual General Meeting at  
10.00am (Sydney time) on 28 September 2022.

Shareholders can participate online at [agmlive.link/ASX2022](https://agmlive.link/ASX2022)

Further details are available at [www.asx.com.au/agm](https://www.asx.com.au/agm)

ASX Limited ABN 98 008 624 691

## Our vision

To be the world's most respected financial marketplace.

## Our strategy



### DIVERSE ECOSYSTEM

Provide an open system to support partnerships, products and services across the Australian financial ecosystem.



### INNOVATIVE SOLUTIONS AND TECHNOLOGY

Offer innovative solutions and technology to drive efficiency and deliver benefits to customers, employees and the wider financial marketplace.



### ENDURING TRUST, INTEGRITY AND RESILIENCE

Earn trust and deliver resilience by making sure our systems and processes are stable, secure, reliable and fair, and our people act with integrity towards the market and each other.



### CUSTOMER-FOCUSED

Think deeply about how we can improve the experience for our customers, deliver them value and make their lives easier.



### COLLABORATIVE CULTURE

Foster collaboration and agility within our businesses, across our teams and among our customers, regulators and other stakeholders.



## FY22 highlights

### FOR OUR CUSTOMERS

**\$255BN**

total capital raised to enable companies to manage their operations and grow, up 149% on last year.

**217**

total new listings, up 23% on last year.

**93%**

corporate action volume straight-through processed for real-time delivery in ASX's global messaging corporate action notification service, removing manual handling, delivering richer market data and lowering risk.

### FOR OUR SHAREHOLDERS

**10**

consecutive years of operating revenue growth reflecting the strength of ASX's diversified model.

**\$689M**

earnings before interest and tax (EBIT), up 7.5% on last year.

**236.4c**

total dividends per share, fully franked, up 5.7% on last year.

### FOR OUR PEOPLE

**91%**

of our people feel their manager genuinely supports gender equality.

**92%**

of our people believe they have the flexibility to manage caring responsibilities and other commitments.

**95%**

of our people have a clear understanding of their responsibilities in managing risk.

### FOR OUR FINANCIAL MARKETS AND AUSTRALIA

**155,451**

company announcements published on our platform — a new annual record, up 6%.

**2 Million**

investors and 10,000 financial advisers using exchange-traded funds.

**\$663k**

raised on the Trading Day for Charity for the ASX Refinitiv Charity Foundation, to support Australian-based children's, disability and medical research causes.

## Chair's letter

Dear fellow shareholders,

In 2022, ASX stayed true to the course outlined 12 months ago, in my first letter as your Chair. Building long-term sustainability remained our focus. We worked towards our goals prudently, patiently and with purpose.

We are building an exchange of the future, not for the next quarter or reporting period alone. We measure value over time. We put the customer at the centre of what we do and value the effort and wellbeing of our people. We work deeply and constructively with our regulators and understand the need for close scrutiny. This is the ASX way that delivers the best outcomes for our shareholders, other stakeholders and the Australian market.

"We enter the new financial year and the start of a new strategic phase for ASX with renewed energy and confidence. There is more work to do and we are determined to do it successfully."

**Damian Roche**  
Chair



## NEW BEGINNING

ASX is at a new beginning. Beginnings are times for excitement and optimism.

In 2022, we welcomed a new CEO and fresh expertise to our Board. We delivered product and service innovations, and continued to upgrade our technology. We refreshed our operating model to sharpen our focus on customers and accountability. We supported our people as they settled into new hybrid working arrangements, while helping them feel connected, capable and rewarded.

We rejuvenated engagement with our regulators to enhance the way we contribute to market safety, stability and confidence. We welcomed the recommendations of experts and absorbed new licence conditions into our own program of continuous improvement because we are always open to doing things better. We determined to raise the standards of environmental, social and governance reporting, both for our own company and the companies that list on our market. And we continued to hone our culture to reflect our values. Because it is our culture that will drive the quality of our performance.

ASX is in a stronger financial and operational position than we were 12 months ago. Our results reflect this. But we are not where we aspire to be yet and some major work remains to be done. We are conscious too of the challenges ahead, including heightened competition, rising regulatory expectations and the fierce demand for talent. And we do not forget that earning and retaining confidence in our brand and reputation is a task that needs daily tending.

Nevertheless, there is keen anticipation about the journey ahead. We have clear direction and solid building blocks in place. We are resourcing ASX to succeed. The company is well-poised for the next phase of sustained achievement.

## FINANCIAL HIGHLIGHTS

Solid financial performance is one of the critical ingredients to a sustainable future. In 2022, ASX's diversified business model again enabled the company to achieve reliable earnings across variable market conditions.

- Statutory net profit after tax rose 5.7% to \$508.5 million, up \$27.6 million, compared to last year (FY21).
- Statutory earnings per share rose 5.7% to 262.7 cents, up from 248.4 cents in FY21.
- Total ordinary dividends (interim and final) are 236.4 cents per share (cps), fully franked, up 5.7% on FY21. We have maintained our payout ratio of 90% of underlying profit.

A financially robust, well-resourced ASX is not only good for our shareholders. It is also vital for the health of Australia's financial market, ensuring investment in the infrastructure critical to stability, efficiency and functionality.



Total dividends to shareholders

**236.4cps**



Rise in profit

**5.7%**

## CEO SUCCESSION

In June 2022, we announced the appointment of Helen Lofthouse as Managing Director and CEO. Helen started in the role on 1 August and was selected following a comprehensive search, which considered highly credentialled local and international candidates.

Helen is the first female CEO in ASX's history and was the outstanding choice to succeed Dominic Stevens, who announced his intention to retire in February this year.

Helen has more than 20 years' financial markets experience in Australia and internationally. She joined ASX in September 2015 and rose to become Group Executive, Markets, ASX's largest business by revenue. She has successfully led large and diverse teams, which have delivered both growth and value to stakeholders. Helen is a strong people leader with a keen customer mindset. She understands the criticality of technology and the Australian regulatory landscape.

We are proud that the choice to lead ASX comes from within our executive ranks. This too is a first. It highlights the strength of ASX's senior management and enabled a smooth transition. It also reflects the Board's confidence in ASX's strategy and performance. Helen understands ASX's business and values, is well-known and regarded by our stakeholders, and has a deep understanding of the environment in which ASX operates. The company's future is in impressive hands.

Helen inherits a company in sound shape thanks to the stewardship of her predecessor. Dominic did much to progress building an exchange of the future. He helped contemporise ASX's technology, improve the resilience and functionality of our operating platforms, position the company to capitalise on new growth opportunities and lift the experience for our customers.

# Chair's letter continued

"ASX will continue to invest in the transformation of our infrastructure, to modernise and better meet the needs of our customers, and fulfil our commitment to ensuring Australia's financial markets are vibrant, contemporary, reliable and competitive."

Across the six years of Dominic's leadership, ASX's share price grew more than 60%, capital investment in the business doubled, and our skills and capabilities lifted as employee numbers rose from around 550 to almost 800.

Under Dominic, ASX became a stronger, more competitive and innovative company. We are proud of what has been accomplished for our staff, customers, shareholders and our industry.

I thank him on behalf of our stakeholders and wish him the best for the future.

## MARKET INNOVATION

The Clearing House Electronic Sub-register System (CHES) replacement project remains at the centre of our work to build an exchange of the future and deliver once-in-a-generation innovation to the market. It is a large and complex undertaking, involving multiple parties.

All change involves risk. But as I have said before, taking the easy route and putting off change is the biggest risk of all.

Work on the CHES replacement project continues to advance. Our new CEO brings a fresh set of eyes and is driving an independent review of aspects of the project to help identify actions necessary to complete the work with confidence.

In the meantime, ASX continues to invest in the existing CHES system, and has strengthened its capacity, speed and resilience to cater for the increased trading activity in recent years. Existing CHES remains secure and stable, and is serving the market well.

What's critical – to ASX, CHES users, investors and regulators – is to deliver new CHES safely. Confidence in the resilience of the market's post-trade infrastructure is vital. While we understand the time pressures, our focus – Helen's especially – is on getting it right.

It is pleasing that the reports of the independent expert employed as part of the project's assurance program, which reviews key risk areas of the project, has found that the assurance program is fit for purpose and that no significant gaps have been identified. We will remain vigilant and not slacken off.

It is the way of things that the many initiatives ASX implements seamlessly rarely attract headlines. Be it replacing our secondary data centre, consolidating our communications networks (ASX Net), upgrading our futures trading system, delivering corporate actions/straight-through processing, or introducing electronic CHES statements. All of which have enhanced efficiency and functionality for the market in recent years.

When delivered, the upgraded CHES system will transform Australia's post-trade equities environment – as the original CHES did more than two decades ago – and stimulate innovation across the market.

ASX will continue to invest in the transformation of our infrastructure, to modernise and better meet the needs of our customers, and fulfil our commitment to ensuring Australia's financial markets are vibrant, contemporary, reliable and competitive. This will not always be easy. But it is right thing to do and best secures long-term sustainability.

## BOARD RENEWAL

Strengthening the technology, project management and public policy expertise of the Board has been a focus. ASX provides critical national infrastructure and relies on contemporary, functional and robust technology to serve its stakeholders. Because that infrastructure is critical, close regulatory and public scrutiny is proper. It is vital we have the appropriate mix of director skills to understand these challenges and provide input and oversight.

In March 2022, we welcomed David Curran to the Board. Dave was formerly Westpac Group's Chief Information Officer and held senior technology roles at the Commonwealth Bank of Australia. He brings over 30 years' corporate technology experience implementing large and complex projects across the Australian financial services landscape. His practical and strategic perspectives are helping ASX stay ahead of our customers' needs. Dave will stand for election at ASX's Annual General Meeting (AGM) on 28 September 2022.

Also standing for election at the AGM will be Dr Heather Smith, who was appointed to the Board in June. Heather has a PhD in Economics from the Australian National University and spent 20 years in the Australian Public Service, culminating in being Secretary of the Department of Industry, Innovation and Science. She brings to our Board considerable expertise in public policy, innovation, national security and economic reform. These are areas of great relevance to ASX as we enter a new and exciting phase in our development, re-energised under fresh executive leadership.



Retiring from the Board at the AGM will be Dr Ken Henry, after more than nine years as a director. Ken brought formidable intellect and insight to the governance and oversight of our company. Few can match his knowledge of economics and public policy or his commitment to broader social and environmental issues. On behalf of all our stakeholders, I thank and congratulate Ken on his service.

The Board recognises that staying up-to-date and agile is not confined to ASX's technology. It applies to the human resources around the boardroom table too. I thank my fellow directors for their care of the company and diligence in staying informed and contemporary.

Ultimately, the value of ASX's reputation is in the hands of our people. They are the most critical piece of the company's infrastructure. My greatest privilege as Chair is to admire the dedication, determination, commitment and passion of our staff.

What we do matters. So does how we do it. This is the privilege of our role and its obligation too. It energises how we work and drives our purpose.

We enter the new financial year and the start of a new strategic phase for ASX with renewed energy and confidence. There is more work to do and we are determined to do it successfully. Thank you for staying the course with us.

**Damian Roche**  
Chair

## CEO's year in review

Dear fellow shareholders,

While the economy faces new challenges as it recovers from the impact of the COVID-19 pandemic, ASX continues to play a crucial role at the heart of Australia's financial system.

The FY22 results demonstrate the strength and resilience of our core business as we invest and position ourselves for the future.



Operating revenue<sup>1</sup> across  
our four businesses

**\$1,023M**



Earnings before interest  
and tax

**\$689M**



Profit after tax

**\$509M**

1. Based on a segment reporting basis.



“ASX provides critical infrastructure across a number of key areas of financial markets. Our diverse core business has allowed us to deliver long-term growth for shareholders during a period of significant volatility and uncertainty.”

**Dominic Stevens**

Managing Director and Chief Executive Officer  
(Retired 31 July 2022)

## FY22 PERFORMANCE

ASX continues to benefit from its diversified business model, delivering another solid performance in FY22. All business units increased revenue over the previous year. We saw decade-high levels of Listings activity, particularly in the first half, with the Securities and Payments, and Technology and Data businesses also delivering record results.

Operating revenue<sup>1</sup> across our four businesses increased by 7.5% to \$1,023 million, which is a record:

**Listings** revenue increased by 16.9% driven by new listings, including an all-time record for total capital raised in the first half, with a full year figure of \$255 billion.

**Markets** revenue rose by 4.1% with lower interest rate futures volumes compared to FY21 due to the low interest rate environment and monetary policy settings, although this was offset by growth in cash market trading and commodity futures.

- **Technology and Data** revenue increased by 8.8% driven by higher market data usage and strong demand for our Australian Liquidity Centre (ALC) services.
- **Securities and Payments** revenue increased by 3.9% as issuer services and equity post-trade services saw solid growth, reflecting trading activity and capital raisings during the year.

Expenses rose by 7.5% due to higher costs relating to continued investment in technology and risk management initiatives.

Earnings before interest and tax (EBIT) for FY22 was \$689 million, also a record and up 7.5% compared to the prior year. ASX continues its steady stream of fully franked dividends, maintaining a payout of 90% of operating earnings to shareholders. This is balanced by ongoing investment in the business with capital expenditure of \$105 million in FY22, primarily driven by the wide-ranging technology investment program.

## BUILDING AN EXCHANGE OF THE FUTURE

After six years in the role, the FY22 results are my last as CEO of ASX. When I began my tenure, I focused on transforming our operational foundations to reflect ASX's role at the heart of Australia's financial markets, and also on supporting our customers and other stakeholders. We aimed to achieve this by pursuing three key goals: building stronger foundations, harnessing our core business, and leveraging our expertise and capabilities.

Investing in our people, matched with the investment in technology and data, enables us to achieve these goals. This multi-year transformation is making ASX a more contemporary business with improved operational and technical resilience. This investment provides ASX with the platform to innovate by developing new products and data services for our customers, and supports the ongoing sustainability of the Group.



Listings revenue increased

**16.9%**



Technology and Data revenue increased

**8.8%**

1. Based on a segment reporting basis.

# CEO's year in review continued



## CORE BUSINESS STRENGTH

ASX provides critical infrastructure across a number of key areas of financial markets. Our diverse core business has allowed us to deliver long-term growth for shareholders during a period of significant volatility and uncertainty.

The strength and diversity of our core business is demonstrated by our FY22 results. **Listings** benefited from strong capital raisings and Initial Public Offering (IPO) activity. **Markets** delivered a solid performance, with volatility driving strong equity market trading volumes, offset somewhat by the impact of monetary policy settings on interest rate futures.

Transactional activity in cash debt and equity markets drove a strong performance by our **Securities and Payments** division, leading to elevated clearing and settlement volume, while demand continued to increase for the services offered by our **Technology and Data** division.

## INVESTING IN OUR ECOSYSTEM

Maintaining the strength of our core business requires ongoing investment in our infrastructure and technology. The long-term investment in our systems has created robust infrastructure, driving an 89% decline in the number of technology-related incidents impacting our customers over the past six years. This is the key statistic reflecting ASX's improved resiliency. I give particular thanks to the team for all their hard work delivering the outstanding results achieved here.

In addition, the investment in upgrades and system development is significantly reducing our technology debt. The CHES replacement project seeks to replace a near 30-year-old system with world-leading technology, which will provide a platform for improved efficiency and security for our customers for the next 20 years and an opportunity for further innovation by ASX. As Damian has said, it is critical to deliver CHES replacement safely.

Our ecosystem also supports the development of new products and data offerings. The development of our enterprise-level blockchain technology is supporting other opportunities including Synfini, ASX's distributed ledger technology as a service offering, which went into production this year. Another important facet of our ecosystem is the continued development of the ALC data centre, which provides our customers with benefits including proximity to our trading, clearing and settlement systems and to other participants, while saving significant costs related to the management of their networks and connectivity. Finally, this year we also rolled out new data products from our data as a service offering, DataSphere.

## OUR SUSTAINABILITY GOALS

Our sustainability framework sets out our strategy to support the long-term sustainability of ASX. We identified three pillars:

- trusted actions
- resilient operations
- efficient markets.

These pillars are supported by six building blocks:

- good corporate governance
- engaged people
- effective long-term risk management
- responsible business
- market integrity
- encouraging innovation.

Within this framework we have stated three key sustainability goals which we aim to achieve by FY25. Our first goal is to build an increasingly diverse and inclusive workplace. In terms of gender diversity. We continue to make strong progress across the company with 42% of employees being women, and we look forward to reaching our target of 45% by FY25. Inclusivity is also a strength of our workplace, with 86% of employees believing people from all backgrounds have equal opportunity at ASX, according to the latest staff survey.



ASX total shareholder return since 1 August 2016

# 122%



Decline in number of technology-related incidents impacting our customers

# 89%



Employees who believe people from all backgrounds have equal opportunity at ASX

# 86%

Our second goal relates to ASX's journey to decarbonisation. This past year we released a climate change statement, which links our impact on the climate to our values as an organisation. We are committed to reaching net zero Scope 1 and Scope 2 emissions by FY25. Our pathway to this target includes 100% sustainable energy usage from FY23, which will represent a reduction in our total emissions of at least 85%. ASX further supports this goal with initiatives such as launching electronic capability for CHES statements, and investing in more energy efficient technology.

Our third goal is to help facilitate the transition of the Australian economy towards renewable energy and decarbonisation. As a market operator, ASX encourages issuers to adopt best practice around sustainability and reporting. We are looking at opportunities to further support this initiative. We also develop and refine our products, such as electricity derivatives, to help customers manage their transition to renewable energy.

More detail can be found in the Sustainability Report.



We are committed to reach net zero Scope 1 and Scope 2 emissions by

**FY25**

### CEO TRANSITION

I am incredibly proud of this year's performance and of the progress that ASX has achieved during my six-year tenure. During this time, ASX has increased revenue over \$250 million and delivered a total shareholder return of 122%, which compares favourably to the total return on the S&P/ASX Financials index of 60% and the S&P/ASX 200 index of 40%.

My successor, Helen Lofthouse (introduced by the Chair on page 5) and I have worked together for many years. I have no doubt that her extensive experience at ASX will see her build upon these strong foundations. I wish her all the best.

Finally, I would like to thank our shareholders, the Board and, most importantly, the team at ASX for your support during my time as CEO. It has been a privilege.

**Dominic Stevens**  
Managing Director and  
Chief Executive Officer  
(Retired 31 July 2022)

"I am incredibly proud of this year's performance and of the progress that ASX has achieved during my six-year tenure."

# Operating and financial review

The Operating and Financial Review outlines ASX's activities, performance, financial position and main business strategies. It also discusses the key risks and uncertainties that could impact on ASX and its subsidiaries (together referred to as the Group), and its ability to achieve its financial and other objectives. The statements are prepared and audited in accordance with the *Corporations Act 2001* and Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS).

## BUSINESS MODEL AND OPERATING ENVIRONMENT

ASX operates a significant part of the infrastructure that supports Australia's financial markets. ASX is a multi-asset class and integrated exchange group. The Group operates markets for cash equities and derivatives, providing a full service offering across listings, trading, clearing, settlement, registry, and information and technical services.

The business is conducted through a number of regulated legal entities. ASX holds market operator licences and clearing and settlement licences to undertake its activities. ASX is subject to oversight by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA).

ASX's activities and revenues are grouped into four key businesses: Listings, Markets, Technology and Data, and Securities and Payments. These are each discussed separately later in this report.

## GROUP FINANCIAL PERFORMANCE

### Net profit after tax

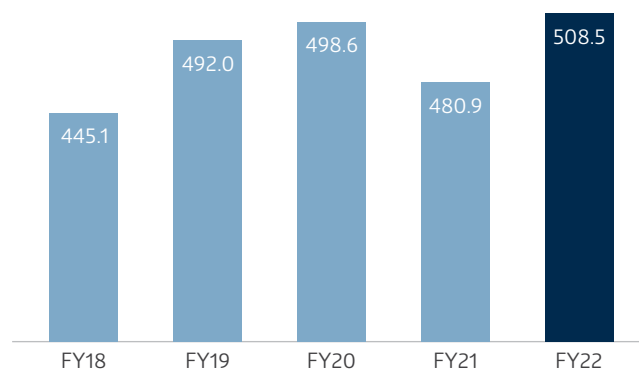
Statutory net profit after tax (NPAT) for FY22 increased 5.7% on the prior comparative period (pcp) to \$508.5 million. Statutory earnings per share (EPS) were 262.7 cents, up 5.7% from the previously reported EPS of 248.4 cents, reflecting the increase in earnings.

### Dividends

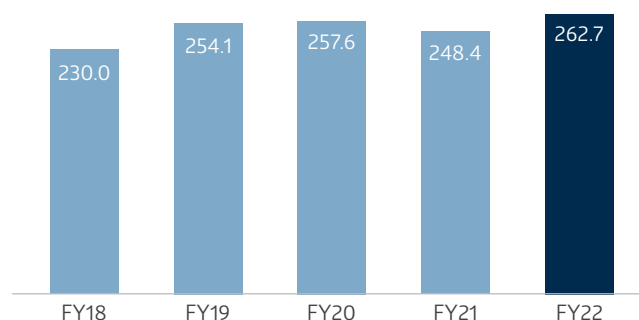
The Board's dividend policy is to pay 90% of underlying profit after tax. This is reviewed each time the Board considers payment of a dividend.

ASX paid an interim dividend of 116.4 cents per share in March 2022 and directors have determined a final dividend of 120.0 cents per share. Total interim and final dividends per share for FY22 of 236.4 cents are 5.7% higher than the prior year and reflect the increase in underlying earnings. The final dividend will be paid on 28 September 2022.

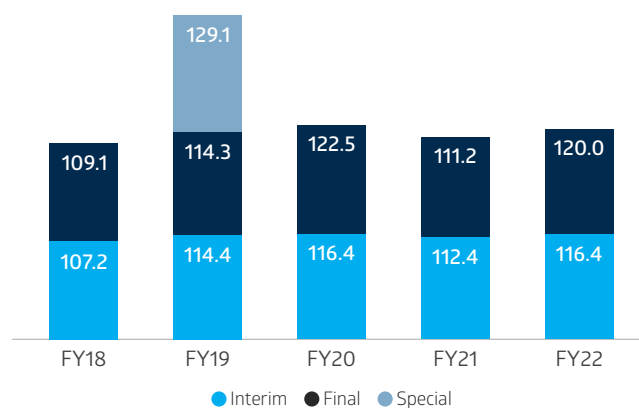
Statutory net profit after tax (\$million)



Statutory earnings per share (EPS) (cents)



Dividends per share (DPS) (cents)



## Summary income statement for the year ended 30 June 2022

Based on the Group segment reporting note

|                                      | FY22<br>\$m    | FY21<br>\$m    | Variance fav/(unfav) |              |
|--------------------------------------|----------------|----------------|----------------------|--------------|
|                                      |                |                | \$m                  | %            |
| Operating revenue                    | 1,022.7        | 951.5          | 71.2                 | 7.5          |
| Operating expenses                   | (283.2)        | (256.8)        | (26.4)               | (10.3)       |
| <b>EBITDA</b>                        | <b>739.5</b>   | <b>694.7</b>   | <b>44.8</b>          | <b>6.4</b>   |
| Depreciation and amortisation        | (50.3)         | (53.5)         | 3.2                  | 6.1          |
| <b>Total expenses</b>                | <b>(333.5)</b> | <b>(310.3)</b> | <b>(23.2)</b>        | <b>(7.5)</b> |
| <b>EBIT</b>                          | <b>689.2</b>   | <b>641.2</b>   | <b>48.0</b>          | <b>7.5</b>   |
| Net interest income                  | 41.1           | 46.7           | (5.6)                | (11.9)       |
| <b>Profit before tax</b>             | <b>730.3</b>   | <b>687.9</b>   | <b>42.4</b>          | <b>6.2</b>   |
| Tax expense                          | (221.8)        | (207.0)        | (14.8)               | (7.1)        |
| <b>Statutory profit after tax</b>    | <b>508.5</b>   | <b>480.9</b>   | <b>27.6</b>          | <b>5.7</b>   |
| Statutory earnings per share (cents) | 262.7          | 248.4          | 14.3                 | 5.7          |
| Dividends per share (cents)          | 236.4          | 223.6          | 12.8                 | 5.7          |

### OPERATING REVENUE

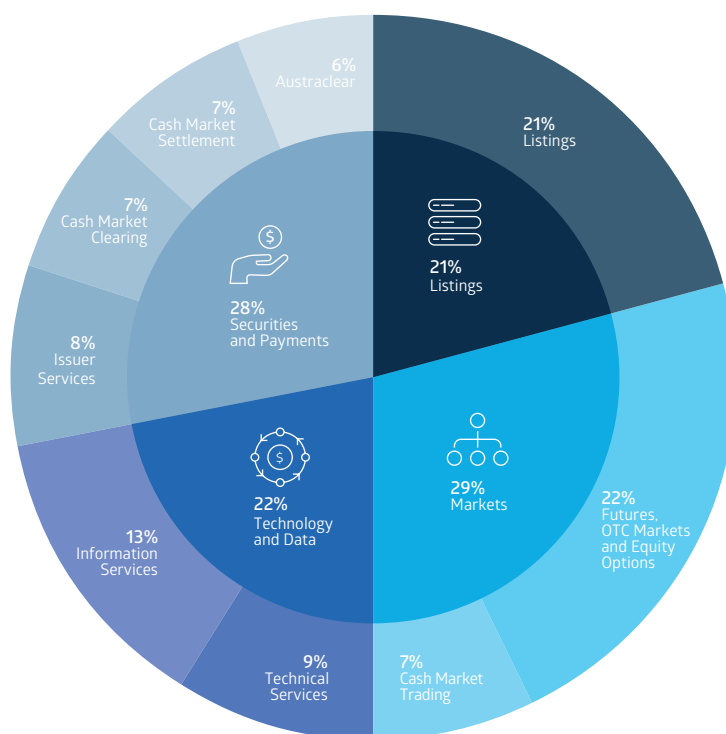
Operating revenue as reflected in the Group's segment note in FY22 increased 7.5% on the pcip to \$1,022.7 million.

#### The key components of operating revenue

- **Listings** revenue increased 16.9%, as a result of strong annual fee income reflecting heightened billable market capitalisation and elevated new and secondary raisings.
- **Markets** revenue increased 4.1%, reflecting higher cash market trading activity and demand for equity options, partly offset by subdued futures volumes.
- **Technology and Data** revenue increased 8.8%, resulting from growing demand for information and technical services.
- **Securities and Payments** revenue increased 3.9%, supported by higher trading activity. This was partly offset by higher operating losses related to ASX's investment in Sympli.

|                                 | FY22<br>\$m    | FY21<br>\$m  | Variance fav/(unfav) |            |
|---------------------------------|----------------|--------------|----------------------|------------|
|                                 |                |              | \$m                  | %          |
| Listings                        | 213.9          | 182.9        | 31.0                 | 16.9       |
| Markets                         | 298.6          | 287.0        | 11.6                 | 4.1        |
| Technology and Data             | 221.9          | 204.0        | 17.9                 | 8.8        |
| Securities and Payments         | 288.3          | 277.6        | 10.7                 | 3.9        |
| <b>Total operating revenues</b> | <b>1,022.7</b> | <b>951.5</b> | <b>71.2</b>          | <b>7.5</b> |

# Operating and financial review continued



## TOTAL EXPENSES

As reflected in the segment note, total expenses increased 7.5% to \$333.5 million. This was within guidance and is a result of an increase in headcount, equipment and administration costs to support enterprise-wide initiatives.

|                               | FY22<br>\$m  | FY21<br>\$m  | Variance fav/(unfav) |               |
|-------------------------------|--------------|--------------|----------------------|---------------|
|                               |              |              | \$m                  | %             |
| Staff                         | 171.7        | 154.3        | (17.4)               | (11.3)        |
| Occupancy                     | 8.9          | 9.4          | 0.5                  | 5.7           |
| Equipment                     | 47.8         | 42.5         | (5.3)                | (12.7)        |
| Administration                | 31.6         | 27.9         | (3.7)                | (13.4)        |
| Variable                      | 15.5         | 14.2         | (1.3)                | (9.1)         |
| ASIC levy                     | 7.7          | 8.5          | 0.8                  | 9.2           |
| <b>Operating expenses</b>     | <b>283.2</b> | <b>256.8</b> | <b>(26.4)</b>        | <b>(10.3)</b> |
| Depreciation and amortisation | 50.3         | 53.5         | 3.2                  | 6.1           |
| <b>Total expenses</b>         | <b>333.5</b> | <b>310.3</b> | <b>(23.2)</b>        | <b>(7.5)</b>  |

- Staff costs increased 11.3% to \$171.7 million. This reflects costs associated with operating model redesign, headcount increases and higher contractor costs to support key initiatives. The average full-time equivalent (FTE) headcount increased to 759 compared to 742 in the pcp.
- Occupancy costs decreased 5.7% to \$8.9 million, primarily as a result of the London office closure.
- Equipment costs increased 12.7% to \$47.8 million, due to additional licensing and maintenance costs for initiatives and projects.
- Administration costs increased 13.4% to \$31.6 million, due to insurance premium uplift, higher professional consulting costs to support key initiatives, and increased travel and event costs with easing COVID restrictions.
- Variable costs increased 9.1% to \$15.5 million, reflecting higher market-related activity.
- ASIC supervision levy decreased 9.2% to \$7.7 million, reflecting current fee estimate.
- Depreciation and amortisation expenses decreased 6.1% to \$50.3 million, due to lower new additions.

## CAPITAL EXPENDITURE

Total capital expenditure for the year was \$105.2 million.

FY22 expenditure primarily included the ongoing investment in the Clearing House Electronic Sub-register System (CHES) replacement project, continued replacement and upgrade of aged assets, and various initiatives to strengthen the resiliency of ASX services.

## NET INTEREST INCOME

|                                     | FY22<br>\$m | FY21<br>\$m | Variance fav/(unfav) |               |
|-------------------------------------|-------------|-------------|----------------------|---------------|
|                                     |             |             | \$m                  | %             |
| ASX Group net interest income       | (3.5)       | (3.9)       | 0.4                  | 12.0          |
| Net interest on collateral balances | 44.6        | 50.6        | (6.0)                | (11.9)        |
| <b>Total net interest income</b>    | <b>41.1</b> | <b>46.7</b> | <b>(5.6)</b>         | <b>(11.9)</b> |

Net interest income decreased 11.9% to \$41.1 million. Net interest consists of two components: interest earned on ASX's cash balances and net interest earned from the investment of collateral balances lodged by participants.

Net interest on ASX's cash balances and financing costs from borrowings and leases for the period was a loss of (\$3.5) million, against a loss of (\$3.9) million in the pcg due to lower finance costs and lower lease costs.

Net interest earned from the investment of participant balances decreased 11.9% to \$44.6 million. Investment earnings on this portfolio averaged 10 basis points compared to 13 basis points in the pcg. Average cash collateral and commitment balances decreased 3.5% to \$11.8 billion. These decreases were partly offset by an increase in the average Futures Client charge to 34 basis points compared to 32 basis points in the pcg.

## FINANCIAL POSITION

At 30 June 2022, the net assets of the Group were \$3,805.4 million, up 1.8% on 30 June 2021.

### Summary balance sheet for year ending 30 June 2022

|                                     | 30 June<br>2022<br>\$m | 30 June<br>2021<br>\$m | Variance<br>increase/(decrease) |             |
|-------------------------------------|------------------------|------------------------|---------------------------------|-------------|
|                                     |                        |                        | \$m                             | %           |
| <b>Assets</b>                       |                        |                        |                                 |             |
| Cash                                | 4,972.2                | 5,357.8                | (385.6)                         | (7.2)       |
| Other financial assets <sup>1</sup> | 9,484.8                | 8,024.1                | 1,460.7                         | 18.2        |
| Intangibles (excluding software)    | 2,325.5                | 2,325.6                | (0.1)                           | —           |
| Investments                         | 97.6                   | 87.6                   | 10.0                            | 11.4        |
| Right-of-use assets                 | 58.3                   | 64.3                   | (6.0)                           | (9.3)       |
| Other assets <sup>2</sup>           | 1,299.1                | 737.6                  | 561.5                           | 76.1        |
| <b>Total assets</b>                 | <b>18,237.5</b>        | <b>16,597.0</b>        | <b>1,640.5</b>                  | <b>9.9</b>  |
| <b>Liabilities</b>                  |                        |                        |                                 |             |
| Amounts owing to participants       | 13,276.7               | 12,214.8               | 1,061.9                         | 8.7         |
| Lease liabilities                   | 67.6                   | 72.4                   | (4.8)                           | (6.6)       |
| Other liabilities                   | 1,087.8                | 573.5                  | 514.3                           | 89.7        |
| <b>Total liabilities</b>            | <b>14,432.1</b>        | <b>12,860.7</b>        | <b>1,571.4</b>                  | <b>12.2</b> |
| <b>Equity</b>                       |                        |                        |                                 |             |
| Capital                             | 3,027.2                | 3,027.2                | —                               | —           |
| Retained earnings                   | 697.8                  | 629.9                  | 67.9                            | 10.8        |
| Reserves                            | 80.4                   | 79.2                   | 1.2                             | 1.4         |
| <b>Total equity</b>                 | <b>3,805.4</b>         | <b>3,736.3</b>         | <b>69.1</b>                     | <b>1.8</b>  |

1. Includes other financial assets at amortised cost and financial assets at fair value through profit or loss.

2. Other assets include software.

# Operating and financial review continued

## Investments

Investments for the period were up \$10.0 million or 11.4% on the prior year. Investments are detailed below. The movement reflects the change in fair value of these investments.

- 44.7% shareholding in Yieldbroker Pty Limited, down \$1.6 million, representing the share of net loss of the company. Yieldbroker is an unlisted entity licensed to operate in electronic markets for trading Australian and New Zealand debt securities.
- 5.4% shareholding in Digital Asset Holdings LLC (DA), up \$2.8 million as a result of favourable foreign exchange movements. DA is an unlisted US-domiciled technology entity.
- 49.4% shareholding in Sympli, up \$6.3 million, representing additional investment partly offset by share of net loss of the company. Sympli is an unlisted entity established to provide electronic property conveyancing and settlement services.
- 10.1% shareholding in DSMJ Pty Ltd, trading as Grow Inc (Grow), up \$2.5 million, representing additional investment. Grow is an entity that develops key infrastructure for superannuation funds via the implementation of a distributed ledger technology application platform.

## Amounts owing to participants

Amounts owing to participants were up \$1,061.9 million or 8.7% compared to the prior year, reflecting an increase in the open positions held in interest rate and equity index futures, as well as equity margins and over-the-counter (OTC) derivative positions. ASX holds these collateral positions to cover cash market and derivatives exposures as part of its clearing operations.

The movement in participant balances results in a corresponding movement in cash and other financial assets, as the balances are invested by ASX.

## Right-of-use assets and lease liabilities

In accordance with AASB 16, ASX recognised assets and liabilities for all leases with a term more than 12 months. As at 30 June 2022, \$58.3 million of right-of-use assets and \$67.6 million of lease liabilities are recognised on the balance sheet, representing ASX's right to use the underlying leased asset and obligations to make lease payments respectively.

## Listings

### BUSINESS MODEL AND OPERATING ENVIRONMENT

The Listings business is responsible for the origination of listed primary and secondary equity, and investment products.

The Group earns revenue from listed entities for initial listing, annual listing, secondary capital raisings as well as from investment products and other listings. The main drivers of revenue in this category include the:

- number of listed entities and their market value
- number and value of initial public offerings (IPOs)
- level of corporate actions, such as secondary capital raisings.

### RESULTS OF OPERATIONS

Listings revenue was \$213.9 million, up 16.9%, reflecting the following.

- **Annual listing** revenue up 21.1% to \$108.8 million, reflecting growth in billable market capitalisation.
- **Initial listing** revenue up 22.9% to \$22.9 million. There were 217 new listings compared to 176 in the pcp, and capital raised in the current period of \$58.9 billion was up on the pcp of \$40.6 billion. Revenue is amortised over five years and the pattern of historical initial listing fees received resulted in an increase of 22.9% for the period.
- **Secondary capital raisings** revenue up 14.0% to \$73.1 million. Capital raised in the current period of \$196.5 billion was well up on the pcp of \$61.9 billion. Revenue is amortised over three years and the pattern of historical secondary listing fees received led to an increase of 14.0% for the period.
- **Investment products and other listing** revenue down 12.2% to \$9.1 million. There was a decrease in reinstatement activity, with 12 reinstatements compared to 23 in the pcp. This was partly offset by higher exchange-traded products (ETP) revenue, which increased as a result of growth in funds under management (FUM) balances year-on-year.

### BUSINESS STRATEGIES

ASX implemented a range of initiatives in recent years to enhance the attractiveness of Australia as a place to list and raise capital. These include updates to the listing rules and guidance notes.

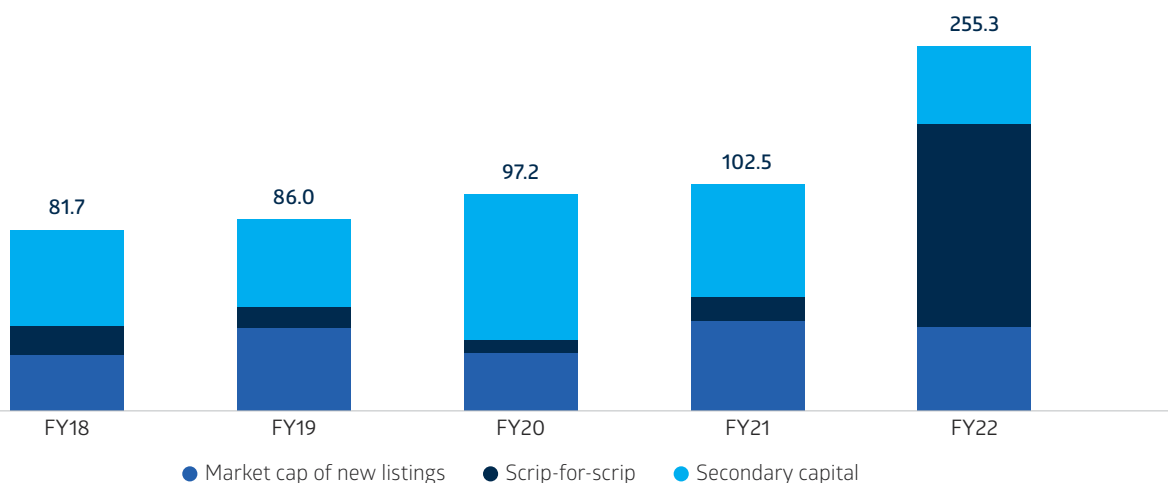
ASX has continued to focus on expanding the number of foreign companies and those from the technology sector listed on the exchange.

Leveraging the increasing number of technology companies listed, ASX launched the S&P/ASX All Technology Index in FY20. The index has enhanced the profile and understanding of the technology sector in Australia and increased opportunities for investors.

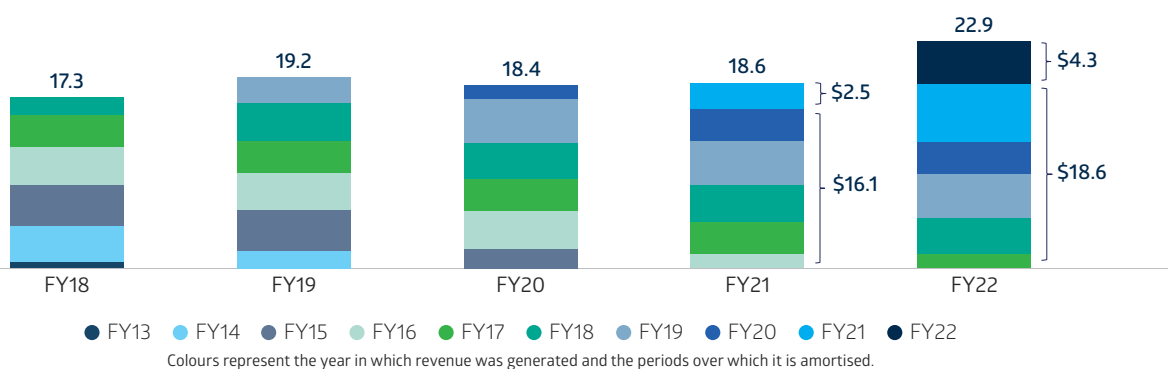
In order to broaden the choice for customers, ASX has a range of products and asset classes available for issuers and investors. Some of the investment products that complement traditional equities include:

- **Bonds** – ASX provides the ability for clients to trade Australian Government bonds on exchange in the same way as equities are traded
- **ETPs** – in recent years ASX has increased the number and range of ETPs. The value of ETPs listed on ASX increased 4.7% to \$119.1 billion in FY22
- **Managed funds (mFund)** – mFund allows investors to apply for and redeem unlisted managed funds using their broker platform. At 30 June 2022, there were 237 funds available on mFund with a market capitalisation of \$1.60 billion.

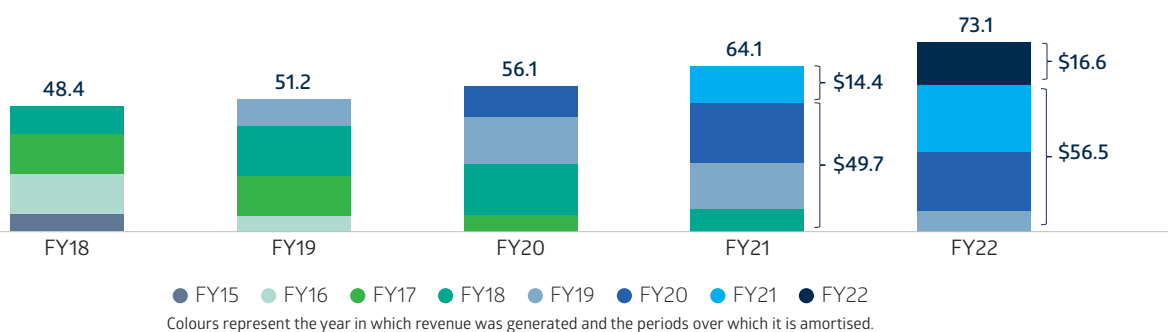
Total capital raised (\$billion)



Initial listing fee revenue contribution per period under AASB 15 (\$million)



Secondary listing fee revenue contribution per period under AASB 15 (\$million)



# Operating and financial review continued

## Markets

### BUSINESS MODEL AND OPERATING ENVIRONMENT

The Markets business is responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing.

The cash market comprises the trading of equities, warrants, exchange-traded funds and listed debt securities. The value of turnover transacted on the ASX market is the primary revenue driver.

ASX offers exchange-traded derivatives, including the trading and clearing of futures and options on futures on interest rate, equity index, agricultural and energy contracts, as well as exchange-traded options over individual securities. The number of contracts traded is the primary revenue driver.

Through the licensed ASX Clear (Futures), ASX provides central counterparty clearing (CCP) of these exchange-traded derivatives as well as clearing of over-the-counter (OTC) derivatives. This entity provides risk management services supported by clearing participant collateral and funds provided by both ASX and participants, which are available in the event participants fail to meet their obligations. Through a process known as novation, the CCP assumes the credit risk of all trades centrally cleared and thus facilitates an efficient and orderly clearing and settlement function for the market.

ASX's investment in Yieldbroker is equity accounted within the Futures and OTC business line.

### RESULTS OF OPERATIONS

Markets revenue was \$298.6 million, up 4.1%, reflecting the following.

- **Cash market trading** revenue up 16.8% to \$71.3 million. The increase in revenue resulted from:
  - > higher on-market average trading value of \$6.7 billion per day, up 15.4%
  - > ASX's share of on-market trading averaged 89.1% in FY22, up 0.3% on the average of 88.8% in the pcg
  - > on-market value across Auctions and Centre Point, both of which have a higher associated revenue, increased 28.6% on the pcg.
- **Equity options** revenue up 33.4% to \$15.5 million, reflecting the payment of an Options Liquidity Growth Program rebate in FY21, coupled with higher activity. Index options volumes, up 10.7%, and single stock option volumes, up 5.8% on the pcg.
- **Futures and OTC** revenue down 1.2% to \$211.8 million. Futures volumes down 5.1% on the pcg. Significant growth in the 90 day bank bills (up 65.5%) amid speculation around monetary policy changes, partly offset a decline in the 3 and 10 year bond products. The overall decline in volumes is largely offset by an increase in the average futures fee due to a change in the product mix, with growth in commodities products as well as a customer mix with a lower contribution from proprietary traders. Value cleared through the OTC clearing service was down 10.8% on the pcg.

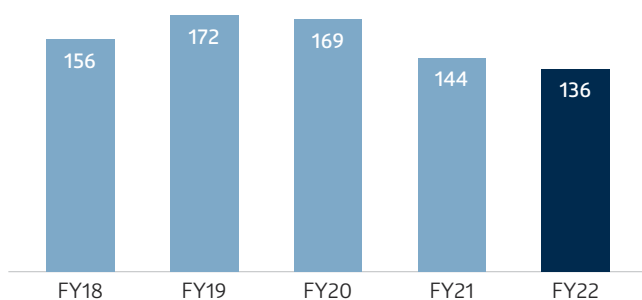
### BUSINESS STRATEGIES

The Markets strategy is to provide innovative services to maximise the attractiveness of trading on ASX and to meet the needs of a varied customer base. This includes providing leading price discovery and liquidity access execution types, such as Auctions and Centre Point.

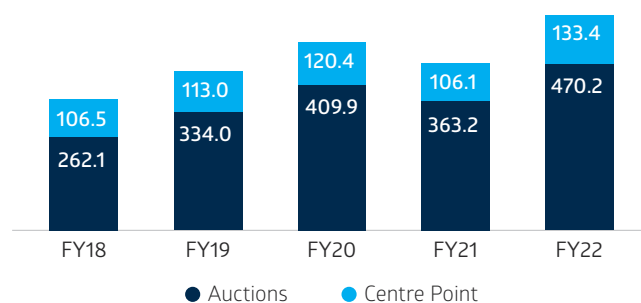
The Centre Point order type is an example of ASX innovation following feedback from end investors. The various Centre Point order types provide customers with optionality and control over how their orders are executed.

The OTC Clearing service includes A\$ and NZ\$ interest rate swaps and client clearing. Notional open interest at the end of June 2022 was \$4.3 trillion, up 38% on the pcg.

ASX futures and options on futures contract volume (million)



Auctions and Centre Point value traded (\$billion)



## Technology and Data

### BUSINESS MODEL AND OPERATING ENVIRONMENT

The Technology and Data business is responsible for technology, connectivity and data-related businesses including technical and information services, DataSphere and Synfini.

Information services includes the provision of real-time market data for the cash and derivative markets, and the provision of indices, company news, and index and other reference data. The main revenue drivers are the number of end-users accessing real-time market data.

Technical services consists of four main categories of services to facilitate market connectivity and access to ASX and third-party services by customers. These are:

- ASX's distribution platform, hosting of customer infrastructure within the Australian Liquidity Centre (ALC) and ASX Net site management
- connection services to facilitate connectivity to the ALC
- ASX service access including access and sessions for market data products and clearing and settlement systems
- market access to trading sessions, liquidity cross-connects and order entry, as well as trade gateways.

Revenue drivers for each category consist of the volume of services used by customers, such as the number of connections to ASX markets or the number of cabinets hosted in the ALC.

### RESULTS OF OPERATIONS

Technology and Data revenue was \$221.9 million, up 8.8%, reflecting the following.

- **Information services** revenue up 10.6% to \$130.5 million. The increase in revenue resulted from:
  - > increase in equities and futures market data distribution, and fee changes to certain data products
  - > increased index royalties from Standard & Poor's (S&P).
- **Technical services** revenue up 6.3% to \$91.4 million. The increase in revenue was due to:
  - > growth in hosting and connections with the number of cabinets up from 368 to 386 and the number of ALC cross-connections up from 1,170 to 1,287 at 30 June 2022.

### BUSINESS STRATEGIES

ASX DataSphere is ASX's open data infrastructure solution offering customers the ability to unlock value through insights and analysis in a secure and governed ecosystem. ASX's broad range of data, combined with other data sources, provides the ability to offer additional data and analytics to an array of users.

Within the information and technical services offerings, ASX's strategy is predominantly driven by the needs of clients in equities and derivatives. These requirements include the hosting of hardware and connectivity, as well as low latency (high speed) services to access information and ASX's trading platforms.

Demand for information services is impacted by the level of market activity and the number of users accessing ASX market data. ASX's services are tailored to meet changing customer requirements such as electronic usage of data. ASX provides enterprise licences for large users of data that offer pricing certainty to customers along with standard monthly royalty plans.

ASX's success in expanding its technical services follows the investment in the ALC and communications network (ASX Net). ASX will continue to invest in its product and service offerings in its efforts to be the leading provider for the financial community.

# Operating and financial review **continued**

## Securities and payments

### BUSINESS MODEL AND OPERATING ENVIRONMENT

The Securities and Payments business is responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHES replacement project.

ASX's clearing and settlement infrastructure provides risk management services through its CCP and delivery-versus-payment settlement of the cash market trades. ASX's post-trade operations are backed by significant Australian-based capital and collateral, and are overseen by Australia's regulators. Through a process known as novation, the CCP assumes the credit risk of all trades centrally cleared and thus facilitates an efficient and orderly clearing and settlement function for the market.

The Group provides a range of services to issuers of capital, including the generation of issuer holding statements and other shareholder and sub-register services. ASX also lists debt securities (including government debt securities).

#### Cash market clearing

The CCP supports these risk management activities with collateral lodged by clearing participants and ASX funds in the clearing guarantee fund. These collateral and guarantee fund resources can be called upon if a clearing participant does not meet its obligation to finalise a trade that has been novated to the CCP. The main revenue driver is the value of equity securities centrally cleared.

#### Cash market settlement

Cash market settlement is conducted through the Clearing House Electronic Sub-register System (CHES). This system registers the title (ownership) of shares. ASX's model for cash market settlement maximises efficiency through the netting of settlement obligations in each individual security and the netting of all payment obligations, while minimising the risk of settlement failure. The main driver of settlement revenue is the number of settlement messages, which can be impacted by a number of variables including the level of transactions and the netting efficiency.

#### Austraclear

Austraclear provides settlement, depository and registry services for debt securities and cash transactions. ASX's model for debt securities settles transactions on a trade-by-trade basis, which provides for certainty of settlement. The number of transactions is the main revenue driver.

Depository services are provided through the Austraclear central securities depository (CSD). These securities consist of fixed income securities including government bonds. Settlement of transactions on these securities occurs through real-time gross settlement (RTGS). The value of securities held is the main revenue driver.

Registry services are provided whereby Austraclear facilitates security registration and the subsequent cash transfers associated with the terms of the individual securities. The main drivers of registry revenue are the number and value of securities held in the registry.

ASX Collateral service allows customers of ASX to utilise collateral held in Austraclear to meet obligations to other customers or to ASX's clearing subsidiaries. The value of collateral balances managed is the main revenue driver.

ASX's investment in Sympli is equity accounted for within the Austraclear business line.

### RESULTS OF OPERATIONS

Securities and Payments operating revenue was \$288.3 million, up 3.9%, reflecting the following.

- **Issuer services** revenue up 4.4% to \$78.5 million. With solid trading activity there was an increase in the number of CHES holding statements, up 4.0%, and other issuer-related CHES messages compared to pcpc.
- **Cash market clearing** revenue up 7.0% to \$76.0 million. There was an increase of 14.0% in the value of on-market trades centrally cleared in the market in line with total value traded in the market. An average of \$7.0 billion on-market value was centrally cleared each day by ASX Clear and no calls were made on the clearing guarantee fund in the current or prior year. As a result of the growth in activity, a revenue share rebate of \$4.8 million was applicable for FY22 (no profit share was payable in pcpc).
- **Cash market settlement** revenue up 6.0% to \$77.1 million. The number of messages was broadly flat on pcpc. As a result of the subdued year-on-year activity, a revenue share rebate is not applicable and therefore overall revenue is up on the pcpc, given \$4.5 million was paid in the pcpc.
- **Austraclear** revenue (excluding ASX's investment in Sympli), up 6.3% to \$69.0 million, supported by higher issuances and increased transactions. Austraclear overall declined 3.3% to \$56.7 million due to increased share of operating losses relating to the Sympli joint venture.

### BUSINESS STRATEGIES

ASX provides cash market clearing and settlement services to the Australian market.

ASX seeks to innovate and improve the efficiency of clearing and settlement, so to allow our customers to offer new products and services to benefit issuers and investors.

Through ASX's Austraclear platform, ASX delivers collateral efficiency to customers with its collateral management service. This service allows customers to utilise collateral held in ASX's Austraclear debt registry to meet obligations to other customers (mainly repurchase agreement (repo) transactions) or to ASX's clearing subsidiaries.

In FY18, ASX invested in a joint venture, Sympli, which has been established as an electronic lodgment network operator (ELNO). Sympli is approved to operate and actively processes transactions in New South Wales, Victoria, Queensland, South Australia and Western Australia.

To support customers across the legal practitioner and financial services sectors, Sympli is integrated with state land registries, revenue offices, the major banks and the RBA.

The table below describes ASX's key risks and how we respond to them. For more information on ASX's approach to risk management please see page 44 of this report.

| Risk                                                                                                                                  | The risk and its impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How we are responding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Regulation, market structure and competition</p> | <p>ASX operates in highly regulated markets. Changes in regulations and/or market structure can impact ASX or its customers and the environment in which we operate.</p> <p>Examples of how ASX's business could be impacted include if:</p> <ul style="list-style-type: none"> <li>– regulatory requirements were changed for certain important services</li> <li>– ASX's products or services did not meet industry expectations in terms of quality or value</li> <li>– new competitors commenced operation in Australia.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>– We regularly engage with government, regulators and industry participants on market structure issues to promote the best industry-wide efficiency outcomes.</li> <li>– We engage with our customers to seek feedback on the quality and value of our products and services, and continually look for ways to improve these.</li> <li>– We monitor the performance of individual products and services against those available elsewhere to support ASX's ability to deliver a strong value proposition.</li> <li>– We consider the impact of ASX-driven change on our customers.</li> <li>– We invest in technology enabling us to stay at the forefront of innovative products and services.</li> <li>– We regularly and constructively engage with government on the future direction of policy impacting our business.</li> </ul>                                                                                                                                                                                                                                          |
|  <p>Economic environment and market activity</p>     | <p>ASX's business can be impacted by the level of market activity. This is influenced by one or more of economic performance, government policy, RBA policy (both increases and decreases in rates), and general financial market conditions in Australia and overseas.</p> <p>Slowing economic conditions or a lessening of general market volatility can lead to a reduction in activity and revenues.</p> <p>Examples of how ASX's business could be impacted if there was a slowdown in the Australian economy include:</p> <ul style="list-style-type: none"> <li>– fewer new listings</li> <li>– less secondary capital raisings</li> <li>– slowdown of growth rates associated with data products and/or technical services.</li> </ul> <p>Examples of how ASX's business could be impacted if there was a lessening of market volatility include:</p> <ul style="list-style-type: none"> <li>– decline in the volume and value of equities traded</li> <li>– lower trading volumes in derivatives.</li> </ul> | <ul style="list-style-type: none"> <li>– We continue to build resilience into our business model through the diversification of revenue streams.</li> <li>– We are growing those services that have annuity-style revenue streams.</li> <li>– We are focusing on diversifying (sector and geography) and enhancing our reputation as a listing venue with emphasis on ETPs and technology, healthcare and foreign companies.</li> <li>– We continually look to introduce new domestic and international participants to our trading markets, and clearing and settlement facilities.</li> <li>– We continue to add to and enhance ASX's suite of products and services to meet evolving customer needs, and which adapt to changing market conditions.</li> <li>– Over FY22, we introduced Bitcoin and Ether ETFs in ASX Clear and worked on gas futures in ASX Clear (Futures).</li> </ul>                                                                                                                                                                                                                            |
|  <p>Operational excellence</p>                     | <p>The resilience, continuity and quality of our operational processes are critical to our ability to operate.</p> <p>This risk arises when failures in our people, processes, systems or controls impact on the delivery of our products or services to our customers.</p> <p>The occurrence of such a failure may result in reduced customer service, the inability to provide services, reduced revenues, increased costs, fines or regulatory issues.</p> <p>This category also captures the risk that our project execution is poor, which could lead to a failure of our strategic projects to deliver expected outcomes.</p>                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>– We have people, processes, systems and controls in place designed to meet our operational benchmarks.</li> <li>– We regularly assess how we can make improvements to the resilience and reliability of our operational processes.</li> <li>– We regularly consider the effectiveness of our controls.</li> <li>– We monitor customer complaints for feedback on where we could improve performance.</li> <li>– We have project management disciplines in place to reduce the likelihood of poor project execution leading to delays or delivery failures in strategic projects, and are upgrading these in response to the independent expert's review of the November 2020 outage and the associated additional licence conditions imposed in November 2021.</li> <li>– We have business continuity plans that are regularly tested.</li> <li>– We have an incident management framework requiring that timely attention be paid to rectifying incidents as they occur.</li> <li>– We undertake resource planning and have staff training and retention programs.</li> </ul> |

# Operating and financial review continued

| Risk                                                                                                               | The risk and its impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How we are responding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Technology availability</p>   | <p>ASX operates critically important financial market infrastructure that is expected to be open and available at all relevant business times.</p> <p>A risk to ASX arises where infrastructure and technology are unreliable and have slow recoverability or insufficient capacity, and where this cannot be quickly increased. Issues that would heighten this risk are the prevalence of ageing infrastructure, systems or applications that are near their end of life, and a significant increase in cyber attack activity.</p> <p>The risk may result in reduced ability or an inability to deliver ASX's trading, clearing and settlement services, reduced customer service, reduced revenues, unplanned remediation or replacement costs, or further licence conditions or fines.</p> | <ul style="list-style-type: none"> <li>- We regularly monitor the availability of our systems against targets and test to understand maximum throughput capacity.</li> <li>- We monitor the health of critical systems and have contingency plans in place for disruptions.</li> <li>- We review the risk in our systems' landscape regularly and continue to invest in progressively modernising our applications and infrastructure.</li> <li>- We constantly engage with our vendor partners who provide some of our critical systems and applications.</li> <li>- We have a regular disaster recovery testing program in place.</li> <li>- We have a cyber security strategy in place and continually look to improve our capability.</li> </ul>                                                                                                                                                                                                                                                                                                                                         |
|  <p>Counterparty default risk</p> | <p>This risk arises in our licensed clearing and settlement facilities when a participant fails to meet its contractual obligations to any of the facilities.</p> <p>Depending on the size and complexity of the defaulting counterparty, the default could lead to extremely volatile conditions in global financial markets. This, along with ASX's default management strategy, will determine the size of any possible loss sustained by ASX.</p>                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>- As part of our regulatory framework, ASX has the financial resources in place to withstand the concurrent default of our two largest participants under extreme but plausible market conditions.</li> <li>- We enforce minimum financial and operating criteria for participants.</li> <li>- We require participants to provide collateral in the form of initial margin, and to make regular, frequent and at least daily variation margin payments.</li> <li>- Over FY22, we added a 2am margin call to cover overnight exposures in ASX Clear (Futures).</li> <li>- We hold pre-funded default risk financial resources.</li> <li>- We regularly review our margin and stress test models to make sure they are fit for purpose and modify them if needed.</li> <li>- We have technology and risk policies and procedures to constantly monitor and manage counterparty exposures.</li> <li>- We have default management strategies that are regularly fire-drilled.</li> <li>- We have recovery plans for extreme default scenarios.</li> </ul> |

| Risk                                                                                                                           | The risk and its impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How we are responding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Investment returns</p>                    | <p>Financial losses may arise from investment decisions taken in relation to the management of collateral balances received from clearing and settlement activity, from the investment of ASX's own capital, or the clearing and settlement facilities' pre-funded default capital resources.</p> <p>Investment returns on collateral balances and ASX's own capital can also be impacted by changes in RBA policy. Lower interest rates and investment spreads can lead to lower returns.</p> <p>ASX also makes equity investments in support of its broader business objectives (e.g. Yieldbroker, Digital Asset, Sympli, Grow Inc). The value of these investments may decline due to the underlying businesses not meeting their objectives. Losses might also arise if ASX needed to write-off some aspects of its capital expenditure through projects not meeting their objectives.</p> | <ul style="list-style-type: none"> <li>- We have investment limits in place under which ASX is required to invest its collateral balances and own funds in highly rated counterparties, with short-term maturities.</li> <li>- We closely monitor financial markets activity, performance and sentiment to inform investment decisions.</li> <li>- We monitor the business strategy and financial performance of companies that we have invested in, and follow the prescribed accounting treatment in terms of impairment or loss recognition should that be necessary.</li> </ul>                                                                                                                                                                                                                                       |
|  <p>Reputation and stakeholder confidence</p> | <p>The ongoing success of ASX is highly dependent on its reputation for trust, integrity and resilience in everything we do.</p> <p>Reputation risk arises in a wide variety of situations. For example, where ASX is perceived to have not acted with integrity or failed to deliver resiliency in its activities.</p> <p>Any outcome that causes detriment to this reputation has the potential to damage ASX's future business prospects through reduced business volumes, or regulatory impact or intervention.</p>                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>- We aspire to be the world's most respected financial marketplace.</li> <li>- Understanding the importance of our reputation and protecting it are both central to everything we do.</li> <li>- ASX considers the possible reputation risk in all its business activities and decisions.</li> <li>- We focus on trustworthy behaviours as described in our company values.</li> <li>- We have regular and open engagement with customers and wider stakeholders to seek feedback on our performance.</li> <li>- We have regular interaction with our regulators and government at management, CEO and Board level to facilitate thorough coverage of issues.</li> <li>- We engage regularly with media to help generate reporting that is fair, informed and balanced.</li> </ul> |

# Sustainability report

ASX's Board and management are committed to the company's long-term sustainability. As a key part of Australia's financial system and the broader economy, ASX recognises the importance of its role in supporting Australia's sustainable future.

## GOVERNANCE STRUCTURE

The approach to sustainability and initiatives are overseen by the ASX Board. It is responsible for setting the strategy and targets, and for monitoring activity and progress. The CEO will regularly update the Board on sustainability priorities and performance.

Sustainability at ASX is driven by the Sustainability Working Group (SWG), which is chaired by the Chief Financial Officer. The SWG comprises Group executives and senior employees from across operational and functional parts of the business, and drives implementation of ASX's sustainability initiatives.

## APPROACH

ASX's approach to sustainability aligns with the vision and values of the organisation and its key role in Australia's financial system and broader economy. The FY22 report builds upon the sustainability strategy published last year and has been prepared in accordance with Global Reporting Initiative (GRI) standards. In addition, ASX has published its Task Force on Climate-related Financial Disclosures (TCFD) report, which sets out an assessment of climate-related risks and opportunities. It can be found on the ASX website.

### Sustainability pillars

There are three pillars which form the foundation of ASX's approach to sustainability, which support its role in financial markets and its obligations to customers, regulators, employees and shareholders:

- trusted actions
- resilient operations
- efficient markets.

## Material focus areas

Following engagement with internal and external stakeholders, there are six key areas:



**MARKET  
INTEGRITY**



**RISK  
MANAGEMENT**



**PEOPLE**



**RESPONSIBLE  
BUSINESS**



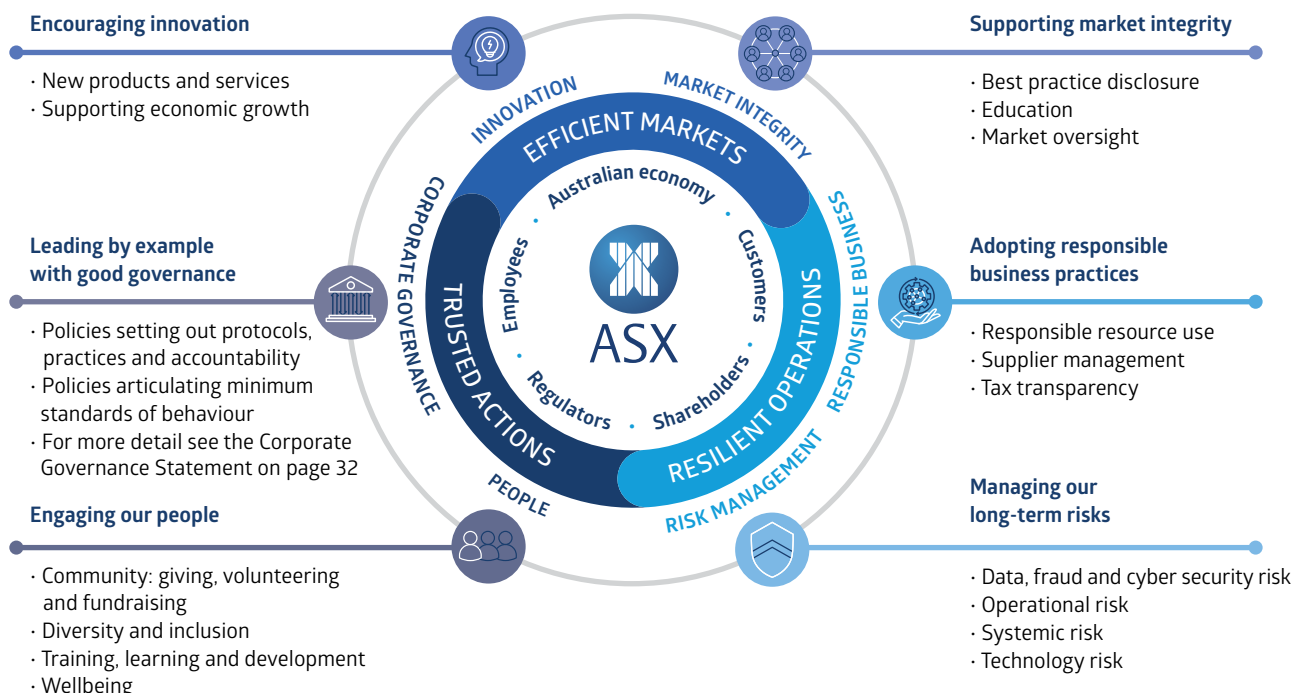
**CORPORATE  
GOVERNANCE**



**INNOVATION**

ASX's approach to sustainability is set out in the chart below.

## SUSTAINABILITY FRAMEWORK



## TRUSTED ACTIONS

People are the enablers of ASX's operations, products and client service.

ASX promotes engagement and high performance of employees by:

- being clear about the values and behaviours that are expected of ASX employees, and linking these to performance management and reward systems
- supporting employee wellbeing
- providing opportunity for career development and learning
- providing a workplace that is inclusive and helping employees feel valued.

### Standards of behaviour

ASX has policies that clearly set the standards of behaviour expected from all employees. These include whistleblower, code of conduct, and anti-bribery and corruption policies. All ASX employees must complete mandatory online training on an annual basis, which includes an assessment to ensure an understanding of content and intention of these policies.

### ASX values

ASX's behaviours are an expression of the company's values and culture. These behaviours align under four values: Be Open, Be Trustworthy, Be Original and Be The Example. These values are integrated into ASX's performance and reward systems and processes, and reinforced through recognition programs and quarterly employee-nominated awards for individuals and teams. ASX measures the degree to which the values are being lived by employees through regular surveys, the results of which are reviewed by the Board. The FY22 survey highlighted that 82% of our employee see the ASX values demonstrated every day in their team.

FY22 saw a decline in the overall engagement score from 73% to 64%. This was due to a number of factors including organisation restructuring and COVID-related disruption. We remain focused on the employee experience, in particular the improvement of communication and coordination across ASX and embracing hybrid working while recognising the value of in-person interactions.

### Organisational restructure

In FY22, ASX conducted an organisational restructure with a focus on enhancing the way we operate by increasing organisational accountability and agility, and structured end-to-end responsibility aligned around the customer. This review saw the creation of four new end-to-end businesses and highlighted our talented bench strength as we promoted from within to fill most key leadership positions.

The new model aims to strengthen our customer focus by creating a team that is empowered and enabled to deliver positive outcomes for customers, our business and our industry.

This was a significant change and as a result we supported our people through the transition with transparent communication and consultation, and a focus on mental health and change through facilitated workshops.

### Developing the ASX workforce

#### Employee base

ASX continued to invest in its people in FY22, with numbers growing by 6% in the year.

In FY22, voluntary turnover was 19%, which is higher than previous years, including a period of record-low turnover during the initial wave of the COVID-19 pandemic. Similar trends are being experienced across Australia and in many developed economies. ASX has a range of strategies in place to ensure it remains an attractive place to work and that employees feel valued.

### Managing performance and development

ASX's performance management system and processes encourage monthly conversations between managers and their employees to review progress relating to goals and development plans. In addition, employee performance informs their variable reward.

Employees are guided to set challenging goals for their performance and development, as well as assess themselves against ASX's behavioural standards on an annual basis.

### Remuneration

ASX employees receive a market competitive fixed remuneration package. Subject to performance, employees also participate in a short-term variable reward program, which provides employees with a mix of ASX shares and cash. Further details regarding ASX's remuneration approach are outlined in the Remuneration Report on pages 46 to 70.

Through the General Employee Share Plan, ASX supports employees wanting to be shareholders by offering them the opportunity to buy \$1,000 of ASX shares at a 10% discount on a pre-tax salary sacrifice basis, with ASX also covering the brokerage costs. In FY22, this offer was accepted by 60% of staff.

ASX also provides a number of employee benefits to all permanent and maximum term employees, such as salary continuance insurance, a suite of discount and corporate rewards, and subsidised sport and social programs.

### Development

Our online learning platform continued to offer independent learning solutions, with ASX staff enrolling in over 1,000 courses with a 92% satisfaction rate among participants. As a continuation of 'Lead, Engage and Deliver', ASX's approach to leadership development, ASX offered more than 50 new leaders across the business the opportunity to participate in a leadership development program. This is a small-group coaching solution that offers personalised support to assist individuals to address relevant challenges within their role and identify opportunities to enhance their impact and influence.

## ASX VALUES



FOR THE BENEFIT OF OURSELVES, OUR CUSTOMERS AND THE MARKETS

Be Open, Be Trustworthy, Be Original, Be The Example.

#### Open

- Create transparency
- Welcome new ideas
- Seek input
- Promote diversity

#### Original

- Embrace change
- Think deeply and broadly
- Be curious
- Fuel innovation

#### Trustworthy

- Act with integrity
- Take responsibility
- Say what you mean
- Do what you say

#### The Example

- Own it
- Speak up
- Challenge yourself
- Enjoy yourself

# Sustainability report *continued*

## Employee safety and wellbeing

### Workplace health and safety (WHS)

Employee safety and wellbeing continue to be a priority in FY22 as ASX monitored and responded to changing conditions relating to the COVID-19 pandemic. There has been regular communication and provision of practical resources for all employees. During periods of COVID-19 driven restrictions, ASX employees continued to be given the flexibility needed to manage their workload and caring responsibilities.

A dual site COVID-19 Vaccination Policy was implemented to protect the infrastructure and operations at our critical sites. The Policy was developed in consultation with employees and the workplace health and safety committee.

### Supporting hybrid working and wellbeing

ASX continues to support a hybrid working model following the easing of government restrictions around COVID-19. With more teams adopting hybrid work arrangements, ASX provided resources to support employees working remotely, ensuring they are set up safely to prevent injury.

When the office fully reopened in April 2022, leaders and employees were provided with five broad principles relating to flexible and hybrid working. These principles help employees and leaders embrace flexibility while balancing the expectation that employees should spend some part of their working week interacting in person:

- requests for flexibility are considered in line with ASX's Flexible Working Policy
- we are all flexible with our flexibility
- the needs of all stakeholders are considered
- we recognise that in-person interactions increase our sense of belonging, connection and alignment
- we will continue to monitor, adapt and evolve the approach to flexibility.

ASX continues to focus on supporting wellbeing as employees adjust to the hybrid working model with individual support being made available to all staff. Mental health support is also offered as well as free coaching services and resources to support emotional, financial and physical wellbeing.

## Prevention of harassment and discrimination

ASX has a range of policies and processes to monitor and address discrimination. Annual online training is mandatory and encourages employees to report any actual or potentially inappropriate behaviour.

The FY22 annual engagement survey showed 95% of employees agreed gender-based harassment and sexual harassment is not tolerated at ASX.

Diversity of experience, expertise and thought within ASX enhances collaboration, problem-solving and decision-making, and increases the ability to understand and service divergent customer and organisational needs.

ASX aspires to be a workplace where employees feel they can safely be their authentic selves, where they are treated fairly, respectfully and are not judged for their gender, age, ethnicity, race, cultural background, religion, disability, caring responsibilities or sexual orientation.

The inclusive culture at ASX enhances employee engagement and innovation, creates a sense of trust and belonging, and improves the employee experience.

## Gender diversity

To promote gender diversity, ASX remains committed to:

- gender representation targets – the target rate of representation of females in the total workforce is 45% by FY25
- show discipline in adhering to gender-neutral hiring, promotion, talent identification and development practices to combat unconscious process bias
- contribute to the research and resources for the Champions of Change Coalition
- be recognised as Employer of Choice for Gender Equality by the Workplace Gender Equality Agency. This citation recognises ASX's commitment to gender equality in areas such as flexibility, parental leave, women in leadership and pay equity.

The FY22 annual engagement and risk culture surveys showed:

93%

of employees have confidence in ASX's decisions in response to the pandemic.

91%

of employees feel their manager genuinely supports gender equality.

75%

of employees recommend ASX as a great place to work.

64%

overall engagement score.

### Gender pay

ASX supports providing equal pay for employees irrespective of their personal characteristics, such as gender. An annual review is conducted to identify any employees with a difference in remuneration that cannot be explained by differences in qualifications, experience, tenure or performance. These differences are then addressed in the ensuing remuneration review.

Males and females at ASX continue to be paid equitably for like-for-like roles. ASX has had with no material wage gap between genders in the same roles for the past three years.

### Development and promotion of women

The table below sets out ASX's gender diversity targets and performance at various levels within the organisation for FY22. For our directors, in FY21 we adopted a goal of 40% of the Board positions being held by women. Each year we will look to see progress against this goal.

For our people, in FY22 we adopted a new goal of having at least 45% of the roles in our organisation, including our management cohort, being held by women by FY25. Half of our executive team are women and we continue to look for ways to promote gender diversity throughout ASX.

Our Women Empowered Employee Network Group partners closely with Women In Banking and Finance, with employees across the organisation attending 40 different webinars, expert panels, book launches and other programs throughout the year. ASX continues to be an active participant and supporter of the Chief Executive Women's Leaders Program. This program equips women with skills, knowledge and connections to fulfil their leadership potential. In 2022, there was an increase in participation in the program as part of the plan to develop and retain senior women.

### Community giving, volunteering and fundraising

#### Fundraising

ASX supports over 100 charities for payroll matching chosen by employees that reflect their interests and passions, with matching up to the value of \$500 each pay cycle. There was 219 matched donations over the year, at a value of over \$56,000, with ASX matching to the same value.

ASX also offers to match one-off charitable donations of employees, up to the value of \$500. We have seen an increase in the number of employees utilising this, particularly for initiatives supporting the flood crisis and war in Ukraine, supplemented by ASX donations in each of these appeals.

ASX Giving launched its participation in Workplace Giving: Australia's One Million Donors program, which aims to have more employees donate small amounts regularly and have it matched by ASX.

ASX also donated its facilities for fundraising by NAB Trade and The Funding Network with the Sir David Martin Foundation helping youth in crisis. This provided volunteering opportunities for staff while enabling the Sir David Martin Foundation to raise over \$200,000.

#### Volunteering

ASX encourages employees to volunteer within the community. Every employee has access to two days paid leave to volunteer their time and skills to a charity of their choice.

ASX employees volunteer across a wide range of charities on an individual basis including to Lifeline, the SES and as directors for not-for-profit board companies.

### GENDER DIVERSITY TARGETS

The table below sets out ASX's gender diversity targets and performance for FY22 at various levels within the organisation.



| Reporting                                     | FY21 | FY22 | Target (by FY25) |
|-----------------------------------------------|------|------|------------------|
| On the Board                                  | 33%  | 36%  | 40%              |
| Executive committee roles                     | 36%  | 50%  | 45%              |
| General management roles                      | 38%  | 36%  | 45%              |
| Management/team leader roles                  | 39%  | 38%  | 45%              |
| Total % of women in management position roles | 39%  | 38%  | 45%              |
| Professional/technical roles                  | 40%  | 41%  | 45%              |
| Administrative roles                          | 84%  | 89%  | 50%              |
| Across the entire organisation                | 42%  | 42%  | 45%              |

# Sustainability report continued



## RESILIENT OPERATIONS

ASX's disciplined approach to long-term risk management is a critical component in the resilience of our day-to-day operations, as it reduces the impact and likelihood of negative outcomes and uncertainties. While ASX is unable to guarantee there will never be negative outcomes, we are committed to continually improving our risk and compliance management practices and embedding a risk management culture to minimise their severity and occurrence.

Long-term resilience also comes from the adoption of responsible business practices. While standards continue to evolve, doing the right thing remains a constant in our business. Stakeholders have growing expectations about how ASX manages suppliers, minimises impact on the environment, and plays a part in reducing carbon emissions.

### Reducing systemic risk

ASX plays a critical role at the heart of Australia's financial system and in reducing systemic risk. ASX's settlement systems and two clearing houses support the functionality and resiliency of the financial markets.

During FY22, ASX progressed its program of continuous improvement aimed at reducing systemic risk and ensuring the resilience of the two clearing houses (ASX Clear and ASX Clear (Futures)).

As noted last year, a significant part of this program is the investment being made in upgrading the technology infrastructure used in performing credit stress testing in ASX Clear (Futures), which was extended to ASX Clear during FY22. Credit stress testing of clearing participants' positions is used to determine the adequacy of the clearing houses' default funds.

Other key developments during the year were the extension of the scope of the margin call during the overnight futures trading session to include calling collateral against mark-to-market and variation margin exposures. Previously, this margin call was restricted to calling collateral for changes in initial margin requirements (due to position changes).

### Mitigating cyber risk

ASX's Board and management rank cyber risk as one of the Group's most critical risks to be managed and mitigated. The Board's Technology Committee approves ASX's cyber strategy annually and oversees its implementation within the organisation. Through the ongoing execution of this strategy, ASX focuses on a range of risk mitigation activities encompassing both technical and non-technical solutions such as regular cyber security training, awareness and testing sessions for staff. The strategy also includes regular reviews of ASX's security risk monitoring, and management processes and systems.

The risk of cyber attack continues to grow in both frequency and sophistication. In FY22, as part of the ongoing commitment to manage cyber risk, ASX invested in risk mitigation activities designed to proactively detect and prevent cyber events, as well as how to respond and recover from attacks should they impact the organisation. Over the past 12 months, ASX focused on:

- strengthening its user and privilege access management capabilities (including launching new customer identity and access management portals)
- driving further network segmentation, continuing to upgrade legacy infrastructure, maturing its compliance with the Australian Signals Directorate Essential 8 Strategies to Mitigate Cyber Security Incidents
- participated in the Cyber Operational Resilience Intelligence-led Exercises (CORIE security testing) managed by the Reserve Bank and Council of Financial Regulators.

In addition, ASX continues to support national efforts to mitigate cyber risks. Over the past 12 months, ASX responded to consultation papers regarding the Federal Government's Cyber Security Strategy, provided comments on proposed amendments to the Security of Critical Infrastructure Act, and continued to work with the Australian Cyber Security Centre, most recently to facilitate a security alert to the ASX 200 following the commencement of hostilities between Russia and the Ukraine.

“ASX plays a critical role at the heart of Australia’s financial system and in reducing systemic risk.”



95%

of our people have a clear understanding of their responsibilities in managing risk.

### Embedding our risk and compliance culture

In FY22, ASX remained focused on strengthening its risk management approach and embedding its risk and compliance culture.

ASX continues to review its Risk Appetite Statement to challenge what are considered to be key risks to ensure we focus improvement on the right areas.

FY22 saw consolidation and streamlining of risk profiles within lines of business that were created as part of the new federated organisational model, as well as a further embedding of the Three Lines of Defence risk management accountability structure. Line 1 teams continue to report to the Audit and Risk Committee on how they manage for risk in their business area.

The Enterprise Risk Management team continues to provide guidance, advice and training to Line 1 risk owners, being those individuals throughout the Group responsible for championing risk management within their teams. Along with accountable executives, management and risk owners, Risk Champions are integral to strengthening ASX’s Three Lines of Defence risk model, and to help support the risk framework and strategy.

ASX conducts an annual risk survey of employees. In FY22, 95% of respondents stated they had a clear understanding of their responsibilities in managing risk, and 94% felt comfortable to speak up about risk and compliance issues.

### Assessing the risk of modern slavery

ASX is committed to ensuring that the Group’s operations and supply chain do not involve modern slavery. ASX’s Modern Slavery Policy articulates our commitment to identifying and addressing these risks in order to minimise their occurrence and remediate them if identified. In addition, various ASX Group policies and procedures (such as our Supplier Code of Conduct, Procurement Policy, Vendor Management Framework, and Request For Proposal documentation) provide additional safeguards for identifying and addressing modern slavery risks.

In FY22, our global supply chain comprised approximately 400 direct suppliers from a total of 15 countries. During the reporting period, many of ASX’s suppliers were assessed for modern slavery risks including those suppliers considered to be Critical Service Providers and Tier 1 suppliers, those considered to be high risk given their industry, product or country of operation, and all new suppliers to ASX.

ASX has rolled out a Modern Slavery eLearning module, which is undertaken annually by all employees.



ASX’s Modern Slavery Policy and Statement can be found at [www2.asx.com.au/content/dam/asx/about/policies/modern-slavery-statement-fy21.pdf](http://www2.asx.com.au/content/dam/asx/about/policies/modern-slavery-statement-fy21.pdf)

### Ongoing tax transparency

ASX believes in paying its fair share of tax. As a signatory to the voluntary Tax Transparency Code issued by the Australian Government Board of Taxation, ASX publishes a Tax Transparency Report each year. ASX takes a low risk approach to managing its tax position, which includes not entering into transactions or structures that have the primary objective of reducing tax liabilities. ASX is proud to be an Australian company and of the economic contribution made through the tax paid each year.

As a large organisation, ASX is included in the Australian Tax Office (ATO) top 1,000 Justified Trust Program, designed to build and maintain community confidence that taxpayers are paying the right amount of tax and are identifying and addressing tax risks. Under the ATO’s Streamline Assurance Review (income tax only) and Combined Assurance Review (income tax and GST), ASX obtained a high level of assurance in both reviews.

In FY22, ASX’s effective tax rate for the Group was 30.4% and we paid a total tax contribution of \$365.8 million.



ASX’s FY22 Tax Transparency report is available at [www2.asx.com.au/content/dam/asx/about/financial-results/2022/full-year/2022-tax-transparency-report.pdf](http://www2.asx.com.au/content/dam/asx/about/financial-results/2022/full-year/2022-tax-transparency-report.pdf)

# Sustainability report *continued*

## Addressing climate change

ASX believes it is important that its response to climate change is aligned with its values as an organisation. While ASX does not believe it has material risk to climate change, it does have a responsibility to adhere to best practice and be an example for issuers.

### Approach to climate change

As the premier equity and derivative market operator in Australia, ASX seeks to lead by example by embracing sustainability in its business and operations. ASX recognises that it has a part to play in reducing carbon emissions. ASX has set a goal of achieving net zero for our Scope 1 and Scope 2 emissions in FY25.

This approach to climate change has been developed considering both ASX climate-related risks and opportunities. It focuses on what ASX can do to:

- minimise operational impact on the environment and carbon footprint
- encourage consistent, comparable, and reliable climate change reporting and disclosures
- support Australia's transition to a low carbon economy by offering products and services that enhance decision-making, manage risk and meet the growing demand for environmental, social and governance (ESG) investments.

### Task Force on Climate-related Financial Disclosures (TCFD)

ASX has been a supporter of TCFD since 2019 and recommends issuers use this framework for climate disclosure as part of the ASX Corporate Governance Principles and Recommendations.

This is the second year that ASX itself has reported against the TCFD recommendations. The 2022 report updates progress against the scenario analysis captured in 2021. These scenarios assessed ASX's inherent climate risks and opportunities that may arise under 1.5C and 4C scenarios over two time horizons of 2030 and 2050.



ASX's 2022 TCFD report is available at <https://www2.asx.com.au/content/dam/asx/about/tcfd/task-force-climate-related-financial-disclosures-report-2022.pdf>

## CLIMATE CHANGE STATEMENT

ASX's approach to climate change brings together our commitment to being a responsible corporate citizen, our ability to support Australia's transition to a low carbon economy, and our role as market operator to encourage transparency from issuers.

### Action plans

#### Targeting net zero by FY25

ASX is keen to play its role in decarbonising the Australian economy and is targeting reaching net zero Scope 1 and Scope 2 emissions by FY25. The Group is making strong progress towards this goal and is committed to source 100% renewable energy from FY23 onwards, which will reduce total emissions by at least 85%. This is also being supported by the ongoing program of investing in contemporary, energy efficient technology.

ASX have made a public commitment to set a science-based target aligned with the Science-Based Target initiative's (SBTi) target-setting criteria within 24 months, with a formal commitment made in FY22.

#### CHES eStatements

Investors now have the opportunity to receive their CHES statements electronically rather than in paper form. This has resulted in a reduction in the environmental footprint related to paper production and postage. It also benefits investors, issuers and registries by increasing efficiency, reducing costs and reconciliation errors compared to hard copy statements.

#### eWaste

As part of ASX's commitment to a sustainable future, ASX is looking at ways to reduce its environmental footprint, including through e-waste practices.

In FY22, ASX developed an e-waste strategy looking beyond our current practices that included secure deletion, disposal and recycling. The review found a number of opportunities, such as the ability to consolidate practices across the Group under a single policy. The consolidated policy is an essential prerequisite to enabling the tracking and reporting of e-waste and its impact on the environment.

### Membership of the UN Sustainable Stock Exchanges initiative

As part of ASX's ongoing commitment as a Partner Exchange under the UN Sustainable Stock Exchanges (SSE) initiative, ASX confirmed our participation in the UN SSE Net Zero Comment Group aimed at helping the creation of net zero targets for exchanges. This provides ASX with the opportunity to shape the commitments that exchanges across the globe might make in the future.

### EFFICIENT MARKETS

ASX operates at the heart of Australia's financial system, playing a key role in offering efficient and transparent markets to participants and other stakeholders.

As a market operator, ASX plays an important role in market integrity through resilient operations and supporting issuers on their own sustainability journey.

In addition, ASX aims to support the Australian economy on the move to decarbonisation. We support this transition by offering new products and services to our customers.

### Long-term investment in resilient technology

ASX is making significant, long-term investments in technology to support efficient and resilient financial markets. This is having the benefit of reducing ASX's emissions footprint, increasing operational resilience (incidents impacting customers have fallen by 89% since FY16) and improving the ability to manage cyber threats. In addition, this investment program improves the long-term sustainability of ASX operations by reducing the risk of a competitor disrupting ASX through technology.

## PATHWAY TO NET ZERO BY FY25

### FY21

- announced target of net zero Scope 1 and Scope 2 emissions by FY25

### FY23

- 100% renewable energy sourced
- reduce total emissions by at least 85%

### FY25

- targeting net zero Scope 1 and Scope 2 emissions

## FY22 environmental outcomes

ASX emissions data provided below relates to the financial year ending 30 June 2022, is reported on a financial control basis and is presented to the nearest significant figure. The below Scope 2 emissions data in relation to electricity is reported on a location-based methodology, which would be the same under a market-based methodology for FY21 and FY22.

| Greenhouse gas (GHG) emissions                                                                  | Unit                 | 2022   | 2021   | % change from prior year |
|-------------------------------------------------------------------------------------------------|----------------------|--------|--------|--------------------------|
| Scope 1 – diesel and gas <sup>1</sup>                                                           | t CO <sub>2</sub> -e | 34     | 22     | 56%                      |
| Scope 2 – electricity <sup>2</sup>                                                              | t CO <sub>2</sub> -e | 13,318 | 13,730 | -3%                      |
| <b>GHG emissions by activity</b>                                                                |                      |        |        |                          |
| Scope 1                                                                                         |                      |        |        |                          |
| – combustion of diesel and gas <sup>1</sup>                                                     | t CO <sub>2</sub> -e | 34     | 22     | 56%                      |
| Scope 2                                                                                         |                      |        |        |                          |
| – electricity (data centre customers) <sup>2</sup>                                              | t CO <sub>2</sub> -e | 9,630  | 10,070 | -4%                      |
| – electricity (ASX direct usage) <sup>2</sup>                                                   | t CO <sub>2</sub> -e | 3,688  | 3,660  | 1%                       |
| Scope 3                                                                                         |                      |        |        |                          |
| – travel (business travel and commuting)                                                        | t CO <sub>2</sub> -e | 269    | 253    | 6%                       |
| – electricity usage (third party data centres) <sup>2</sup>                                     | t CO <sub>2</sub> -e | 1,589  | 1,530  | 4%                       |
| – electricity usage (data centre customers and ASX direct usage) <sup>2</sup>                   | t CO <sub>2</sub> -e | 1,192  | 1,457  | -18%                     |
| – paper usage (office) <sup>3</sup>                                                             | t CO <sub>2</sub> -e | —      | —      | —                        |
| – paper usage (CHESS statements and notifications) <sup>3</sup>                                 | t CO <sub>2</sub> -e | —      | —      | —                        |
| <b>Paper usage</b>                                                                              |                      |        |        |                          |
| Office use                                                                                      | tonnes               | 2.0    | 2.5    | -20%                     |
| CHESS statements and notifications                                                              | tonnes               | 140    | 135    | 3%                       |
| <b>Electricity and paper usage</b>                                                              |                      |        |        |                          |
| Electricity GHG emission (excluding ASX's data centre hosting) per \$1,000 of revenue generated | t CO <sub>2</sub> -e | 0.0076 | 0.0077 | -2%                      |
| Paper usage (excluding CHESS statements and notifications) by headcount                         | tonnes               | 0.0023 | 0.0033 | -30%                     |

1. Gas is mainly used in climate control equipment in the data halls. The increase in gas consumption in 2022 was driven by increased climate control requirements from customers.

2. Emissions from Secondary Data Centre (SDC) and all other third party data centre sites where ASX does not have operational control over electricity usage have been classified as Scope 3 in FY22 with FY21 comparative information updated to reflect this change in methodology. This is in line with recommended practice and GHG guidelines. The decrease in Scope 3 emissions from electricity usage (Data centre customers and ASX direct usage) arose due to the closure of the Bondi Data Centre during FY22.

3. All paper used in ASX offices is carbon neutral and there is no scope 3 emissions.

## Supporting issuers on their sustainability journey

ASX looks to lead by example and also believes that it has an important role to support issuers looking to understand and embrace their own sustainability journey. To this end, ASX has hosted a series of educational events for issuers and other stakeholders including:

- TCFD training with sustainability stock exchanges – focusing on why and how issuers should adopt this framework
- MSCI ESG ratings methodology – background to methodology and focus areas for assessment
- CEO leadership consensus – focusing on diversity.

## Product innovation – electricity derivatives

ASX electricity derivatives provide the market with an efficient and transparent platform on which to trade, and has seen significant growth in volume since launch.

This product supports the move towards decarbonisation and sustainable energy usage following the increase in renewable generation and the retirement of baseload generation. In addition, the development of new storage technologies is providing customers with increased optionality and trading opportunities. These factors combine to underline the necessity for an efficient trading platform, which ASX provides.

## Delivering efficiency and richer data

Corporate actions are a crucial feature in capital markets. Thousands of events take place each year and ASX recently launched a straight-through-processing (STP) solution to support this activity. This solution allows issuers to complete smart online forms for the announcement of certain events that utilise pre-populated data and validation, and significantly reduces the risks related to this process. It provides issuers with certainty while investors receive information faster, in line with the ISO20022 global industry standard. This is a further example of ASX's technology-driven approach to support efficient and transparent markets at the heart of Australia's financial system.



## Corporate governance statement

ASX Limited (**ASX**) is committed to maintaining and promoting high standards of corporate governance. The Board of Directors of ASX (**ASX Board**) believes this underpins strong business performance and is essential to retaining the trust and goodwill of stakeholders – including shareholders, customers, employees and regulators.

This report outlines ASX's principal corporate governance arrangements and practices. It is current as at 17 August 2022 and has been approved by the ASX Board.

The ASX Board and its committees periodically review ASX's corporate governance arrangements and practices to keep them aligned with regulatory requirements, developments in recommended corporate governance practices and stakeholder expectations, and ASX's strategic objectives.

Our corporate governance arrangements followed the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Principles and Recommendations throughout the financial year ended 30 June 2022.



More information on ASX's corporate governance practices including this Corporate Governance Statement are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

### FY22 CORPORATE GOVERNANCE ACTIVITIES

#### Board matters

- CEO succession planning and the announcement in June 2022 of the appointment of Helen Lofthouse as ASX's new Managing Director and CEO.
- Continuation of Board renewal and succession planning including the appointments of David Curran and Heather Smith as non-executive directors of ASX.
- Establishment of a Technology Committee to oversee technology, data and cyber security strategies, projects, and risks. The Technology Committee is chaired by David Curran.
- Appointment of Peter Nash as chair of the Audit and Risk Committee.
- Appointment of Stephen Knight as Independent Chair of ASX Clear (Futures) and Austraclear. Mr Knight now chairs ASX's four clearing and settlement licensees and attends meetings of ASX's Audit and Risk Committee.

#### Other governance activities

- Publication of independent expert reports on ASX's assurance program for the CHES replacement project. This work is continuing and reports are available on the ASX website.
- Development and approval of accountability statements for ASX executives and non-executive directors.
- Enhancements to conflict management arrangements for ASX's clearing and settlement licensees.
- Continuing to address the recommendations of the independent expert report into the November 2020 equity market outage and the related licence conditions, including strengthening ASX's project governance and execution practices, and technology project readiness decision-making.

# Corporate governance statement continued

## ASX LIMITED BOARD



**DAMIAN ROCHE**  
Independent,  
Non-Executive Director, Chair  
*BCom*

Damian Roche was elected ASX's Chair in April 2021 and has served as a director since August 2014. He is Chair of the Nomination Committee and a member of the Audit and Risk Committee and the Remuneration Committee.

Mr Roche is a director of ASX Clear (Futures) Pty Limited, the ASX clearing and settlement licensee for Australia's derivatives markets. He is also Chair of the intermediate holding companies for ASX's clearing and settlement licensees.

Mr Roche 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.

Mr Roche was a member of the global Corporate and Investment Bank Operating Committee for J.P. Morgan. His final role at the bank was Head of Markets and Investor Services, Sales and Distribution for Asia-Pacific, based in Hong Kong.

Mr Roche is a director of Kaldor Public Arts Projects and HRL Morrison & Co Limited.



**DOMINIC STEVENS**  
Managing Director and CEO,  
Executive Director  
Retired 31 July 2022  
*BCom (Hons)*

Dominic Stevens was appointed Managing Director and CEO of ASX in August 2016 and retired from the role on 31 July 2022. He was an independent non-executive director of ASX from December 2013 until his appointment as CEO.

Mr Stevens was also a director of the ASX clearing and settlement licensees and their intermediate holding companies.

Mr Stevens has over 30 years' experience in financial markets. He was CEO of Challenger Limited from 2008 to 2012, before which he was the company's Deputy CEO and Head of Capital, Risk and Strategy.

Prior to Challenger, he held senior positions during a long career at Bankers Trust Australia, where he had responsibility for the Australian derivatives, global metals and agricultural commodity derivatives businesses.



**YASMIN ALLEN**  
Independent,  
Non-Executive Director  
*BCom, FAICD*

Yasmin Allen was appointed a director of ASX in February 2015. She is a member of the Audit and Risk Committee and the Technology Committee. Ms Allen is a director of ASX Clear (Futures) Pty Limited and Austraclear Limited, the ASX clearing and settlement licensees for Australia's derivatives, OTC and debt markets, and their intermediate holding companies.

Ms Allen has more than 20 years' experience in the finance industry, including in investment banking, and has expertise in financial services, strategy development and corporate governance.

Ms Allen was formerly a vice president at Deutsche Bank, a director at ANZ Investment Bank and an associate director at HSBC Group.

Ms Allen was appointed Chair of Digital Skills Organisation (Department of Employment) in January 2020 and Chair of TicToc Online in November 2021.

Ms Allen has been a director of Cochlear Limited since August 2010 and Santos Limited since October 2014. She was appointed a director of QBE Insurance Group Limited in July 2022. Ms Allen's previous appointments include director of Insurance Australia Group Limited between November 2004 and September 2015.

Ms Allen is also Chair of the Harrison Riedel Foundation for youth mental health, a director of the George Institute for Global Health, and Acting President of the Australian Government Takeovers Panel.



**MELINDA CONRAD**  
Independent,  
Non-Executive Director  
*BA, MBA, FAICD*

Melinda Conrad was appointed a director of ASX in August 2016. She is a member of the Nomination Committee, the Remuneration Committee and the Technology Committee.

Ms Conrad has over 20 years' experience in business strategy and marketing, and brings skills and insights as an executive and director from a range of industries, including retail, financial services and healthcare.

Ms Conrad has been a strategy and marketing adviser, an executive with Colgate-Palmolive, and founded and managed a retail business.

Ms Conrad was appointed a director of Stockland Corporation Limited and Stockland Trust in May 2018, Ampol Limited in March 2017, and Penten Pty Ltd in August 2021. Ms Conrad's previous appointments include director of OFX Group Limited between September 2013 and September 2018, and The Reject Shop Limited between August 2011 and June 2017.

Ms Conrad is also a director of the Centre for Independent Studies, a member of the AICD Corporate Governance Committee and an Advisory Board Member of Five V Capital.

# Corporate governance statement continued

## ASX LIMITED BOARD CONTINUED



**DAVID CURRAN**  
Independent,  
Non-Executive Director  
*BCom*

David Curran was appointed a director of ASX in March 2022. He is Chair of the Technology Committee.

Mr Curran has over 30 years' corporate technology experience leading digital transformations and implementing large, complex projects across the Australian banking and financial services landscape.

Mr Curran was formerly Westpac's Group Chief Information Officer and has previously held executive technology roles at the Commonwealth Bank of Australia (CBA), where he led the Group's technology transformation including the industry-leading modernisation of CBA's deposit and lending capabilities.

Mr Curran is Chair of the Westpac Scholars Trust, which provides 100 scholarships every year to challenge, explore and set new benchmarks in innovation, research and social change. He is also a board member of Tour de Cure, the cancer research, support and education charity.



**DR KEN HENRY AC**  
Independent,  
Non-Executive Director  
*BCom (Hons), PhD, DB h.c., FASSA, FAIIA*

Dr Ken Henry was appointed a director of ASX in February 2013. He is a member of the Audit and Risk Committee and the Nomination Committee. He is also a director of ASX Clear Pty Limited and ASX Settlement Pty Limited, the ASX clearing and settlement licensees for Australia's equity markets, and their intermediate holding companies.

Dr Henry has extensive experience as an economist in Australia and overseas, and has worked as a senior policy adviser to successive Australian governments.

Dr Henry served as the Secretary of the Federal Department of the Treasury from 2001 to 2011. He was Chair of National Australia Bank Limited from December 2015 to November 2019, having joined the board in November 2011.



**PETER MARRIOTT**  
Independent,  
Non-Executive Director  
*BEC (Hons) FCA, MAICD*

Peter Marriott was appointed a director of ASX in July 2009. He is a member of the Audit and Risk Committee and was the Audit and Risk Committee Chair between July 2009 and 18 August 2021.

Mr Marriott is a director of each ASX clearing and settlement facility licensee and their intermediate holding companies.

Mr Marriott has spent over 40 years in senior management roles in the finance industry, spanning international banking, finance and auditing.

Mr Marriott was Chief Financial Officer of Australia and New Zealand Banking Group Limited (ANZ) from 1997 to May 2012. He also spent two years as Group Head of Risk Management. Prior to his career at ANZ, he was a partner of KPMG Peat Marwick specialising in the banking and finance, and information technology sectors.

Mr Marriott was appointed a director of Westpac Banking Corporation in June 2013. He is a member of the Council of Monash University and is Chair of the Resources and Finance Committee of the Monash University Council.



**PETER NASH**  
Independent,  
Non-Executive Director  
*BCom, FCA, F Fin*

Peter Nash was appointed a director of ASX in June 2019. He has been Chair of the Audit and Risk Committee since August 2021, having served on the Committee since June 2020. He is also a member of the Technology Committee.

Mr Nash was formerly a Senior Partner with KPMG until September 2017. He was admitted to the partnership in 1993. Mr Nash served as National Chair of KPMG Australia from 2011 until August 2017. In this role, he also served as a member of the Global Board of KPMG and was the Chair of KPMG's Global Investment Committee.

Mr Nash is Chair of Johns Lyng Group Limited and a non-executive director of Westpac Banking Corporation and Mirvac Group Limited. He is a board member of the General Sir John Monash Foundation, Koorie Heritage Trust and Mitigation Council Australia.

Mr Nash's previous appointments include member of the Business Council of Australia and member of the Economic and Regulatory Committee.



**HEATHER RIDOUT AO**  
Independent,  
Non-Executive Director  
*BEC (Hons)*

Heather Ridout was appointed a director of ASX in August 2012.

She is also Chair of the Remuneration Committee and a member of the Nomination Committee.

Mrs Ridout is a company director with a long history as a leading figure in the public policy debate in Australia. She was formerly Chief Executive of the Australian Industry Group, a major national employer organisation representing a cross-section of industries including manufacturing, construction, defence, ICT and labour hire, until April 2012.

Mrs Ridout has been a director of Sims Metal Management Limited since September 2011 and a director of the Australian Chamber Orchestra since December 2012.

Mrs Ridout is an Investment Committee member and Alternate Director of the AustralianSuper Trustee Board since 2017.

Mrs Ridout's previous appointments include Chair of the AustralianSuper Trustee Board (from 2013 to 2019, having joined that board as a director in 2007) and member of the Board of the Reserve Bank of Australia (RBA) (from 2012 until 2017), Infrastructure Australia, AustCyber - The Australian Cyber Security Growth Network (from 2017 to 2022), the Australian Workforce and Productivity Agency, the Henry Tax Review panel and the Climate Change Authority.



**DR HEATHER SMITH PSM**  
Independent,  
Non-Executive Director  
*BEC (Hons), PhD*

Dr Heather Smith was appointed a director of ASX in June 2022.

She has extensive experience in public policy, innovation, national security and economic reform and a deep knowledge of government and the public sector.

Dr Smith's two decades working at senior levels in the Australian Public Service culminated in being Secretary of the Department of Industry, Innovation and Science (2017-2020), and before that, Secretary of the Department of Communications and the Arts (2016-2017).

Dr Smith has also held senior positions in the departments of Prime Minister and Cabinet (including heading the Prime Minister's taskforce on Innovation), Foreign Affairs and Trade, and the Treasury, as well as the Office of National Intelligence.

Dr Smith has a PhD in Economics from the Australian National University (ANU) and began her career at the Reserve Bank of Australia. She is a non-executive director of Challenger Limited (since 2021) and Professor at the ANU National Security College.



**ROB WOODS**  
Independent,  
Non-Executive Director  
*BCom*

Rob Woods was appointed director of ASX in January 2020. He was appointed as a member of the Audit and Risk Committee in June 2020.

Mr Woods is a director of ASX Clear (Futures) Pty Limited and Austraclear Limited, the ASX clearing and settlement licensees for Australia's derivatives, OTC and debt markets. He is also a director of their intermediate holding companies, ASX Clearing Corporation Limited and ASX Settlement Corporation. He was previously the Chair of ASX Clear Pty Limited and ASX Settlement Pty Limited.

Mr Woods has over 30 years' experience in financial markets.

He was Chief Executive, Strategy at Challenger Limited, and has previously served as Chief Executive of Challenger's Funds Management and Asset Management businesses. Mr Woods started his career at Bankers Trust Australia and became Executive Vice-President and Head of Equity Derivatives.



**HELEN LOFTHOUSE**  
Managing Director and CEO,  
Executive Director  
Appointed 1 August 2022  
*BSc (Hons)*

Helen Lofthouse commenced as ASX's Managing Director and Chief Executive Officer in August 2022. She is also a director of the ASX clearing and settlement licensees and their intermediate holding companies.

Mrs Lofthouse is an accomplished financial markets executive with more than 20 years' experience in cash equity and debt markets, listed and OTC derivatives, and clearing and settlement services. She joined ASX in September 2015 and has held senior executive roles with the company, including Group Executive, Markets – ASX's largest individual business by revenue.

Prior to ASX, Helen was a Managing Director at UBS (2011-2015) with global responsibility for the OTC clearing business, and worked at J.P. Morgan in London (1998-2011) in various businesses including futures and OTC clearing, derivatives prime brokerage, credit markets and cash equities. Her earlier career involved project management and technology consulting.

Helen was announced as one of the World Federation of Exchanges' Women Leaders for 2021.

# Corporate governance statement **continued**

## REGULATORY FRAMEWORK

ASX operates an integrated exchange offering listings, trading, clearing, settlement, technical and other information services and other post-trade services to local and overseas customers.

As a market licensee, operator of the ASX market and an ASX listed entity itself, ASX is regulated by ASIC.

ASX's licensed central counterparty and securities settlement facilities (**CS facilities**) are subject to a number of regulatory obligations, including obligations to comply with financial stability standards determined by the RBA. As CS facility licensees, the CS facilities are regulated by ASIC and the RBA. The boards of directors of the ASX subsidiaries that hold the relevant licences and operate the CS facilities (**CS Boards**)<sup>1</sup> are responsible for ensuring that the CS facilities meet their regulatory obligations.

## LAY SOLID FOUNDATIONS FOR MANAGEMENT AND PROVIDE OVERSIGHT

### The role of the ASX Board

The ASX Board has a charter documenting its composition, operating procedures and the allocation of responsibilities between the ASX Board, CS Boards, Board Committees and the management team.

The key responsibilities of the ASX Board are to:

- define the ASX Group's purpose and strategic objectives
- approve the ASX Group's statement of values and code of conduct
- lead the behaviour and values expected at ASX to achieve its strategic objectives
- set ASX's risk strategy and risk appetite
- oversee the ASX Group's risk management framework
- monitor ASX's financial performance and oversee the ASX Group's achievement of its strategic objectives
- oversee ASX's corporate reporting and disclosure processes
- appoint, assess the performance of, and oversee succession plans for the Managing Director and (CEO).

The ASX Board oversees the ASX Group's performance and progress against strategic objectives, including for consistency with ASX's risk management strategy and risk appetite.

The ASX Board has a vision for ASX to become the world's most respected financial marketplace. ASX's progress in FY22 towards achieving this long-term goal is set out in the Chair's Letter on page 4 and CEO's Year in Review on page 8.

The CS Boards have their own charter which provides further detail on the role and responsibilities of the CS Boards. A key focus of the CS Boards is risk management and oversight of the operation of the clearing and settlement facilities.



The ASX Constitution, the ASX Board Charter and the CS Boards Charter are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Role and responsibilities of management

The ASX Board has delegated the day-to-day management of ASX and the implementation of approved strategies and business plans to the CEO who in turn delegates to the executive management team subject to the financial and other limits set by the Board. The CEO is accountable to the Board for the authority delegated to all levels of management.

The CEO's key responsibilities are to:

- develop ASX's strategic objectives
- execute the Board-approved strategy
- implement ASX's code of conduct
- ensure day-to-day management and operation of ASX consistently with policies and procedures adopted by the ASX Board, and implement necessary or appropriate processes, policies, systems and controls
- provide timely presentation of information to the Board to enable the Board to fulfil its responsibilities.

The CEO has established an Executive Committee comprising the CEO and all Group Executives. Details of ASX's executive team are provided on our website. The Executive Committee meets regularly, and meetings are normally chaired by the CEO.

ASX has written agreements in place with executives setting out the terms of their appointment. Accountability statements have also been put in place for all ASX executives setting out the allocation of responsibilities to executives across ASX's operations.

During the reporting period, the Group Executive, Securities and Payments, and the Group Executive, Markets, were identified as the 'CS Lead Executives' accountable to the CS Boards for the operation of the CS facilities. The responsibilities of the CS Lead Executives include ensuring that any conflicts of interest between the CS subsidiaries and other ASX Group companies are identified and managed appropriately. The CEO is accountable for ensuring that sufficient resources are made available for the operation of the CS facilities.

Resources are typically made available to ASX Group companies through ASX Operations Pty Limited, a wholly owned subsidiary of ASX. This includes financial, human and technological resources, and any other resources required by the ASX Group. This arrangement is governed by an intragroup support agreement.

In June 2022, ASX announced that Helen Lofthouse would be appointed as ASX's CEO with effect from 1 August 2022. This followed the announcement in February 2022 of Dominic Stevens' intention to retire. Ms Lofthouse joined ASX in 2015 and was previously ASX's Group Executive, Markets.



The biographies of ASX's executives are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance) and [www2.asx.com.au/about/our-board-and-management/our-executive-team](http://www2.asx.com.au/about/our-board-and-management/our-executive-team) respectively.

1. The licensees of the CS facilities are ASX Clear Pty Limited, ASX Clear (Futures) Pty Limited, ASX Settlement Pty Limited and Austraclear Limited. The holding companies of the licensees are ASX Clearing Corporation Limited and ASX Settlement Corporation Limited.

## Executive performance evaluation

The Board sets financial and non-financial goals for the CEO at the start of the financial year having regard to the strategic objectives set by the Board. The CEO is responsible for setting goals for each executive having regard to those objectives, the Group Scorecard and the accountabilities of the executive's role.

ASX's executive performance evaluation process includes an assessment of the risk management performance of each executive. This assessment is conducted by the Chief Risk Officer and delivered to the Remuneration Committee. The CEO makes recommendations to the Remuneration Committee on the individual performance rating of each executive, having regard to, among other things, the feedback from the Chief Risk Officer and, where appropriate in view of the executive's accountabilities, from the Audit and Risk Committee and the CS Boards.

The ASX Chair makes recommendations to the Remuneration Committee on the performance of the CEO, having regard to, among other things, the feedback from the Chief Risk Officer and the CS Boards.

The Remuneration Committee considers the CEO's and the ASX Chair's recommendations and makes final recommendations to the Board for approval.

Further information on the process for evaluating executive performance is set out in the Remuneration Report on pages 46 to 70. A review of the performance of all ASX executives was undertaken during the reporting period and was in accordance with the process disclosed in the Remuneration Report.

## Overview of Board Committees

The ASX Board has established four standing **Board Committees** to assist it in discharging its responsibilities:

- Audit and Risk Committee
- Nomination Committee
- Remuneration Committee
- Technology Committee.

The role and responsibilities of each Board Committee are set out in a charter. In the main, the Board Committees have been established to assist, advise and make recommendations to the ASX Board on matters falling within their specific areas of responsibility.

The four Board Committees also perform their responsibilities for the CS Boards.

### Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities in relation to the ASX Group's financial reporting, systems of risk management, internal control and regulatory compliance, corporate reporting processes, the internal and external audit functions and ASX's culture.

### Nomination Committee

The Nomination Committee reviews and makes recommendations to the Board on nomination and selection processes, necessary and desirable competencies and experience, performance, director independence, induction and development programs, and related matters.

The membership and composition requirements for the Board Committees under their respective charters are set out below.

|                    | Audit and Risk Committee                                                                                                                                                                                               | Nomination Committee                                                                                                                                                                                                                                  | Remuneration Committee                                                                                                                                | Technology Committee                                                                                                                                                                                                 |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Members</b>     | Peter Nash (C)<br>Yasmin Allen<br>Ken Henry<br>Peter Marriott<br>Damian Roche<br>Rob Woods                                                                                                                             | Damian Roche (C)<br>Melinda Conrad<br>Ken Henry<br>Heather Ridout                                                                                                                                                                                     | Heather Ridout (C)<br>Melinda Conrad<br>Damian Roche                                                                                                  | David Curran (C)<br>Yasmin Allen<br>Carolyn Colley<br>Melinda Conrad<br>Peter Nash                                                                                                                                   |
| <b>Composition</b> | At least three members, all of whom are non-executive directors.<br><br>Majority of members, including the Chair, must be independent directors.<br><br>Chair must be an independent director who is not Chair of ASX. | At least three members, a majority of which, including the Chair, are independent ASX non-executive directors.<br><br>The Chair will be the Chair of ASX, except when the Committee is addressing the appointment of a successor to the Chair of ASX. | At least three members, a majority of which, including the Chair, are independent ASX non-executive directors.<br><br>Chair must not be Chair of ASX. | At least five members, all of whom are independent non-executive directors, and at least one of whom must be a non-ASX director of the CS Boards.<br><br>Chair must be an independent non-executive director of ASX. |

# Corporate governance statement continued

## Remuneration Committee

The Remuneration Committee assists the Board in fulfilling its oversight responsibilities in relation to remuneration, executive performance and accountability, incentive frameworks, succession planning, recruitment and retention strategies, termination policies and procedures and the achievement of ASX's gender diversity objectives.

## Technology Committee

During the reporting period, the ASX Board established a new board committee – the Technology Committee. The ASX Board established the Technology Committee to assist the Board in fulfilling its oversight responsibilities in relation to the ASX Group's technology and data strategies, operations, investments and projects and the ASX Group's management of technology and data risks, including cyber security risks.

The Audit and Risk Committee no longer has responsibility for technology and cyber security risks.



All Board Committee Charters are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Board and Board Committee meetings

The ASX and CS Boards and Committees meet as often as considered necessary to fulfil their respective roles. Directors are required to allocate sufficient time to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

Details of the Board and Board Committee meetings held during the reporting period and director attendances at those meetings are set out in the table below.

Directors who are not members of a Board Committee are not required or expected to attend Committee meetings. However, agendas, papers and minutes of Board Committee meetings are made available to all directors, and the Chair of each Board Committee provides reporting to the ASX and CS Boards in relation to the business of each Committee meeting.

ASX's four business lines of Markets, Listings, Technology and Data, Securities and Payments provide 'deep dive' presentations to the Board on a rotating schedule through the year. These presentations are generally delivered by the responsible executive together with members of their team.

| Director name                | ASX Board |          | Audit and Risk Committee |          | Nomination Committee |          | Remuneration Committee |          | Technology Committee <sup>1</sup> |          | CS Boards |          |
|------------------------------|-----------|----------|--------------------------|----------|----------------------|----------|------------------------|----------|-----------------------------------|----------|-----------|----------|
|                              | Held      | Attended | Held                     | Attended | Held                 | Attended | Held                   | Attended | Held                              | Attended | Held      | Attended |
| Damian Roche                 | 10        | 10       | 4                        | 4        | 4                    | 4        | 6                      | 6        | —                                 | —        | 10        | 10       |
| Dominic Stevens <sup>2</sup> | 10        | 10       | —                        | —        | —                    | —        | —                      | —        | —                                 | —        | 10        | 10       |
| Yasmin Allen                 | 10        | 9        | 4                        | 4        | —                    | —        | —                      | —        | 1                                 | 1        | 10        | 9        |
| Melinda Conrad               | 10        | 10       | —                        | —        | 4                    | 4        | 6                      | 6        | 1                                 | 1        | 10        | 10       |
| Ken Henry <sup>3</sup>       | 10        | 10       | 4                        | 4        | 4                    | 4        | —                      | —        | —                                 | —        | 10        | 10       |
| Peter Marriott <sup>3</sup>  | 10        | 10       | 4                        | 4        | —                    | —        | —                      | —        | —                                 | —        | 10        | 10       |
| Peter Nash                   | 10        | 10       | 4                        | 4        | —                    | —        | —                      | —        | 1                                 | 1        | 10        | 10       |
| Heather Ridout               | 10        | 10       | —                        | —        | 4                    | 4        | 6                      | 6        | —                                 | —        | 10        | 10       |
| Rob Woods                    | 10        | 10       | 4                        | 4        | —                    | —        | —                      | —        | —                                 | —        | 10        | 10       |
| David Curran <sup>4</sup>    | 3         | 3        | —                        | —        | —                    | —        | —                      | —        | 1                                 | 1        | 3         | 3        |
| Heather Smith <sup>5</sup>   | —         | —        | —                        | —        | —                    | —        | —                      | —        | —                                 | —        | —         | —        |

## Directors on CS Boards (non-ASX)

|                |   |   |   |   |   |   |   |   |   |   |    |    |
|----------------|---|---|---|---|---|---|---|---|---|---|----|----|
| Carolyn Colley | — | — | — | — | — | — | — | — | 1 | 1 | 10 | 10 |
| Stephen Knight | — | — | — | — | — | — | — | — | — | — | 10 | 10 |
| Adrian Todd    | — | — | — | — | — | — | — | — | — | — | 10 | 10 |

1. The Technology Committee was established by the ASX Board on 6 May 2022.

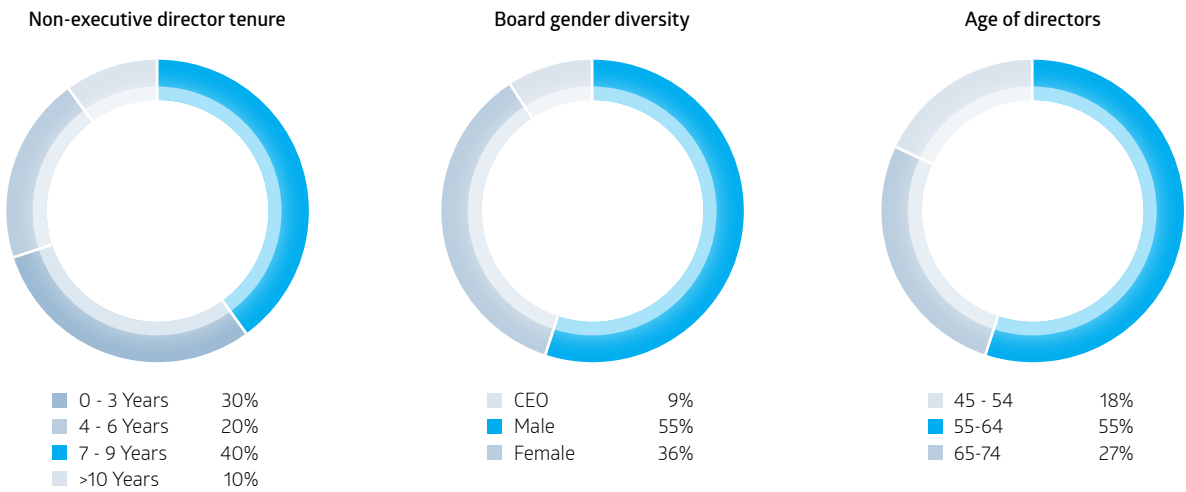
2. Retired as CEO on 31 July 2022.

3. Serving final three-year term as an ASX director.

4. Appointed an ASX director on 21 March 2022.

5. Appointed an ASX director on 29 June 2022.

STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE



Board composition

The Board currently comprises 11 directors. This includes 10 independent non-executive directors and one executive director, being the CEO.

The names, qualifications and tenure of each ASX director are provided on pages 33 to 35 and on the ASX website.

The CS Boards Charter provides that at least half of the boards of ASX Clear Pty Limited and ASX Settlement Pty Limited, being the entities which provide services for the ASX market and other approved Australian equity markets, must comprise non-executive directors who are not also directors of ASX. The non-ASX directors on the CS Boards are Stephen Knight (Chair), Carolyn Colley and Adrian Todd.

Director independence and tenure

It is the ASX Board's policy that the majority of its directors be independent.

ASX recognises that having a majority of independent directors helps ensure that the decisions of the Board reflect the best interests of ASX and its shareholders generally, and that those decisions are not biased towards the interest of management or any other group. ASX also considers that having a majority of independent directors supports the Board to challenge and hold management to account.

In determining whether a director is independent, the Board considers whether the director is free of interests that could (or could be perceived to) materially interfere with the independent exercise of the director's judgement and the capacity to act in the best interests of ASX as a whole, rather than of an individual security holder or other party.

The Board has adopted a policy and guideline regarding the assessment of director independence. This policy includes a materiality threshold to be applied when assessing whether customer, supplier, consultant or professional adviser relationships affect the independence of an ASX director.

The Board regularly assesses the independence of its directors, including by way of an annual, formal assessment. The Board has assessed each non-executive director of ASX as independent. In assessing Peter Marriott's independence, the Board took into consideration Mr Marriott's tenure of more than 13 years and determined that his tenure had not compromised his independence from management or substantial holders or in any other respect.

ASX adopted guidelines on director tenure during the reporting period. The guidelines provide that ASX directors (other than the ASX Chair) will serve for a maximum of 3 terms of 3 years and the Chair will serve a maximum of 4 terms of 3 years. The guidelines include a Board discretion to extend these normal maximum terms where the Board considers that an extension is in ASX's best interests. The Board has exercised this discretion in relation to all current directors who have served more than the normal maximum term.

The tenure of each director is set out on pages 33 to 35.

The mix of directors' tenure is shown in a diagram above.



ASX's policy and guideline to relationships affecting independent status and guidelines on director tenure are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

Chair

The Chair of ASX, Damian Roche, is an independent, non-executive director. Mr Roche was appointed a director in August 2014. He was elected Chair by the directors with effect from April 2021.

The Chair's role is to lead the Board. The Chair's responsibilities are set out in the Board Charter and include chairing Board meetings and facilitating open and effective discussions at those meetings (including with management). The Chair also serves as the primary link between the Board and management

The roles of Chair and CEO are separate and are not performed by the same person.

The ASX Board Charter provides that the CEO may not become the Chair.

Company Secretary

The ASX Board appoints the Company Secretary and the Company Secretary is accountable directly to the ASX Board, through the Chair, on all matters to do with the proper functioning of the ASX Board. The role of the Company Secretary is set out in the ASX Board Charter. Details of ASX's Company Secretary are on page 71.

# Corporate governance statement continued

## Director election and Board renewal

The ASX Board, in consultation with the Nomination Committee, regularly reviews its succession plans.

Directors are generally elected for a three-year term. Retiring directors are not automatically re-appointed.

Melinda Conrad and Peter Nash will retire by rotation in 2022 and will each stand for re-election at the 2022 AGM. David Curran and Dr Heather Smith who were appointed as directors by the Board on 21 March 2022 and 29 June 2022 respectively, will also stand for election. Details of their respective skills and experience are set out on pages 33 to 35 and will also be outlined in the Notice of Annual General Meeting 2022.

As previously advised to the market, Dr Ken Henry AC will retire as a director of ASX at the conclusion of the 2022 AGM. The Board is grateful to Dr Henry for his invaluable contribution since joining the ASX Board in 2013.

Peter Marriott and Heather Ridout have advised ASX of their intention to resign at the end of their current term of office.

## Selection and appointment of new directors

During the reporting period, the ASX and CS Board formalised their non-executive director appointment processes in line with the RBA Recommendations.

As part of the process for director nomination and selection, the Nomination Committee is responsible for preparing and presenting a description of the role and capabilities required for each director appointment. The description is developed by reference to a number of factors including the skills set out in the applicable Board Skills Matrix and ASX's diversity objectives and is then presented by the Nomination Committee to the relevant Board.

The ASX Group undertakes comprehensive reference checks before appointing a new director or senior executive including education, employment, character, criminal history and bankruptcy checks. These checks are carried out by or at the direction of Company Secretariat or Human Resources.

A statutory 'fit and proper' assessment applies to directors due to their involvement with market licensees and/or CS facilities. It is a condition of appointment that any new director and executive is not a disqualified person under this assessment. Directors and executives make an annual declaration to this effect.

Any director (except the CEO) who has been appointed during the year must stand for election at the next Annual General Meeting. ASX provides shareholders with all material information in its possession that is relevant to a decision on whether to elect a director.

New directors receive a formal letter of appointment that sets out the key terms and conditions of their appointment including ASX's expectations about time commitments, compliance with ASX policies and regulatory requirements. The letter of appointment is between ASX (or the applicable CS subsidiary) and the director personally.

All new directors participate in an induction program coordinated by the Company Secretariat designed to give the directors the information they need regarding the ASX Group's business, strategy and operations. As part of this induction program, new directors typically receive briefings from executives and board committee chairs (as relevant) on strategic initiatives and operational matters.

## Diversity

ASX values diversity and inclusion and recognises the organisational capabilities and enhanced business performance these bring.

The ASX Board and workforce are comprised of individuals with a range of skills, backgrounds and experiences.

ASX has adopted a diversity and inclusion policy that describes how ASX promotes diversity and inclusion. The diversity objectives adopted by the Board and achievements in FY22 are set out on page 27 along with further details on ASX's initiatives to support diversity and inclusion.

The ASX Board is committed to maintaining the gender diversity of its membership. The ASX Board has adopted a target of a minimum of 40% female directors. Currently, 45% of ASX's directors are female and 40% of non-executive directors are female. Upon the retirement of Dr Henry at the 2022 AGM, 44% of non-executive directors will be female.

ASX discloses its performance against gender equality indicators in its annual report to the Workplace Gender Equality Agency.



ASX's Diversity and Inclusion Policy and ASX's latest report to the Workplace Gender Equality Agency are available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Board skills, performance and development

ASX is a provider of critical infrastructure to Australia's financial markets and has a leading position in the Asia-Pacific region. The ASX Board is comprised of experienced business leaders with a variety of professional backgrounds. Many have extensive experience in financial services.

The ASX Board has developed a Board Skills Matrix to capture the current mix of skills, knowledge and experience on the Board. The Nomination Committee is responsible for considering, at least annually, whether any changes are required to the Board Skills Matrix.

The ASX Board has identified the skills, knowledge and experience on the Board using a self-assessment questionnaire in which directors are asked to rate their level of proficiency in each skill area.

The Board's current assessment of its skills coverage is set out in the Skills Matrix on the following page.

The ASX Board considers that its current mix of skills, experience and expertise is appropriate for it to discharge its obligations effectively.

The Nomination Committee is responsible for reviewing and recommending to the Board a non-executive director professional development program and for regularly reviewing the effectiveness of the program. When reviewing the Board Skills Matrix, the Nomination Committee is responsible for reporting to the Board on any areas identified for further professional development or consideration in identifying candidate directors.

The Board keeps up-to-date with market and industry developments through regular briefings at Board and Committee meetings, Board workshops, meetings with customers and regulators and through site visits. At Board meetings, the Board is also briefed on material developments in laws, regulations and accounting standards relevant to ASX.

In accordance with its Charter, the Board assesses its performance, the performance of its standing Committees and the performance of individual directors annually. The reviews are conducted to help ensure the Board continues to operate effectively and efficiently. The Board takes the results of the performance review into consideration when recommending directors for re-election.

In FY22, the performance review process was undertaken by way of confidential online surveys completed by all directors. The results of those surveys were discussed in a private session, led by the ASX Board Chair and attended by all other ASX non-executive directors.

## Skills Matrix

| Category                       | Description                                                                                                                                                                                                                                                                        | Strength of skill                                                                                               |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Strategy                       | Experience in defining strategic objectives, constructively challenging business plans and implementing strategy.                                                                                                                                                                  | <br>Low Strong Very strong   |
| Technology and data            | Experience in overseeing the use and governance of critical information technology infrastructure, setting and overseeing the implementation of complex technology strategies, commercialisation of data products, the provision of technology services and cyber security.        | <br>Low Strong Very strong   |
| Risk management                | Experience in identifying, and monitoring mitigation strategies for existing and emerging financial and non-financial risks, and in monitoring the effectiveness of risk management frameworks and practices.                                                                      | <br>Low Strong Very strong   |
| Customer                       | Understanding of existing and evolving customer needs and trends. Experience in developing and delivering products and services focused on enhanced customer outcomes.                                                                                                             | <br>Low Strong Very strong   |
| People and culture             | Experience in overseeing and assessing senior management, remuneration and reward frameworks, strategic human resource management and promoting and overseeing a safe, respectful and inclusive workplace culture aligned with corporate values.                                   | <br>Low Strong Very strong   |
| Executive leadership           | Successful career as a CEO or senior executive in a large, complex organisation.                                                                                                                                                                                                   | <br>Low Strong Very strong  |
| Financial acumen               | Experience in accounting, financial reporting and corporate finance including the ability to assess the quality of internal accounting, financial controls and financial reporting.                                                                                                | <br>Low Strong Very strong |
| Stakeholder engagement         | Experience in building and maintaining trusted and collaborative relationships with key stakeholders including regulators, industry and community groups and governments.                                                                                                          | <br>Low Strong Very strong |
| Regulatory and public policy   | Ability in influencing public policy decisions and outcomes, assessing the impact of legal, public and regulatory policy developments on financial markets and corporations, and managing such impacts.                                                                            | <br>Low Strong Very strong |
| Financial markets and services | Experience in the financial services industry (for example, broking, funds management, superannuation, investment banking), financial products and licensed financial markets including market infrastructure, pre-trade and post-trade services and maintaining market integrity. | <br>Low Strong Very strong |
| Corporate governance           | Knowledge, experience and commitment to the highest standards of governance and experience in overseeing effective governance frameworks.                                                                                                                                          | <br>Low Strong Very strong |
| Environment and social         | Experience in identifying and monitoring environmental and social risks and opportunities, setting and monitoring progress towards sustainability aspirations, knowledge of sustainability reporting standards and ability to assess the quality of sustainability reporting.      | <br>Low Strong Very strong |

# Corporate governance statement **continued**

## Conflicts of interest

Directors are required to disclose all interests that may conflict with their duties as a director of ASX. A register of directors' interests is provided to the ASX Board at each meeting. A register of Committee members' interests is also provided to Committee meetings.

If a director has a material personal interest in a matter being considered by a Board or Committee, they must not be present during the consideration of that matter or vote on the matter, unless approved by other directors who do not have a material personal interest in the matter.

## Aligning interests of the Board with shareholders

To underscore the alignment of the Board with shareholders' interests, the Board has adopted a non-executive director shareholding guideline. This requires that all non-executive directors accumulate ASX shares to the value of the director's annual base (and in the case of the ASX Chair, the base level annual director fee plus the Chair fee) within three years of appointment.

All non-executive directors currently meet the minimum shareholding guidelines.

Details regarding director remuneration and ASX's remuneration policies and practices are detailed in the Remuneration Report on pages 46 to 70.

## Access to information and advice

Directors have unrestricted access to all staff and all relevant records of the ASX Group they consider necessary to fulfil their obligations (including access to members of the internal audit function and the external auditor without management present). They also have the right to seek explanations and additional information from management and auditors.

Directors are also entitled, with the approval of the Chair, to obtain independent professional advice at ASX's expense relating to their role as an ASX director.

## INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

ASX is committed to conducting business in an open and accountable way. We believe that lawful, ethical and responsible business practices are a driver of shareholder value.

## ASX's values

ASX Values are behaviours that guide the actions and decision-making of staff, and reflect ASX's brand and culture. The values are to **Be Open**, **Be Trustworthy**, **Be Original** and **Be The Example**.

Management is responsible for instilling the ASX values across the ASX Group. An overview of the ASX values program which was developed collaboratively by management and endorsed by the ASX Board, is set out on page 25.



Our values are published on the ASX's website at [www2.asx.com.au/about/sustainability/people](http://www2.asx.com.au/about/sustainability/people)

## Code of Conduct, Whistleblower Protection Policy and Anti-Bribery and Corruption Policy

ASX has adopted a:

- **Code of Conduct** underpinned by the ASX values. The Code of Conduct applies to all directors, employees and contractors. It sets the standards for how we work at ASX and outlines the importance of the values to anyone dealing with ASX
- **Whistleblower Protection Policy**. ASX seeks to identify and assess wrongdoing early. ASX's values support a culture that encourages staff to speak up on matters or conduct that concerns them. The Whistleblower Policy provides information to assist staff to make disclosures and sets out how ASX will protect them from any form of retaliation or victimisation when they make a legitimate whistleblowing disclosure
- **Anti-Bribery and Corruption Policy**. This policy is critical to ASX's delivery of its strategic goal of enduring trust, integrity and resilience, and outlines ASX's requirements for the management of gifts and benefits.

Material breaches of the Code of Conduct or the Anti-Bribery and Corruption Policy, or material incidents reported under the Whistleblower Protection Policy are reported to the Audit and Risk Committee and/or Board.

Periodic employee training is conducted on the Code of Conduct and these policies.



ASX's Code of Conduct, Whistleblower Protection Policy, and Anti-Bribery and Corruption Policy are published on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Securities trading

ASX has adopted Dealing Rules that apply to ASX directors and employees, including contractors, consultants and secondees, and restrict dealing in ASX and non-ASX securities. The Dealing Rules document the procedures for dealing in securities. They are designed to help prevent directors and employees from contravening laws on insider trading.

Additional dealing restrictions apply to employees working in specified functions (including Listings Compliance, Market Announcements and Surveillance functions).

Derivatives and hedging arrangements for unvested ASX securities, or vested ASX securities subject to a holding lock, are prohibited.



ASX's dealing rules are published on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Payments to political parties

ASX has a responsibility to its shareholders and stakeholders to articulate the opportunities and challenges facing its business, communicate its position on relevant public policy issues and contribute to well-informed decision-making by government.

ASX actively engages with government and policy decision-makers about its role, the investments we are making to build world class infrastructure, and the dynamic and globally competitive market environment in which ASX operates.

ASX's continued membership of both the Federal Labor Business Forum and the Liberal Party Australian Business Network was considered by the Board in FY22 and accordingly ASX paid \$120,000 in membership fees to each. ASX's membership of these business networks provides an opportunity to engage with a wide range of policy and decision-makers.

The Board sets the policy regarding payments to political parties, including limits on the amounts paid. Payments within these limits are approved by the CEO and the General Counsel. Payments to political parties are disclosed by ASX in accordance with the Commonwealth Electoral Act 1918 (Cth).

## **SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

ASX believes that accurate and timely corporate reporting underpins effective risk management and is key to executing ASX's strategy.

The ASX Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It is assisted in this regard by the Audit and Risk Committee.

The role of the Audit and Risk Committee in safeguarding the integrity of ASX's corporate reporting includes reviewing ASX's financial reports and the adequacies of the Group's corporate reporting processes.

Additional information on the role and responsibilities of the Audit and Risk Committee, its membership and the number of times the Committee met in FY22 are detailed on pages 37 and 38

### **Integrity of reporting**

Before the ASX Board approves the financial statements for the half-year and full-year, the Board receives a statement from the CEO and Chief Financial Officer consistent with the requirements of the *Corporations Act 2001*. These statements are made after the CEO and Chief Financial Officer receive attestations from executives regarding their respective areas of responsibility. The ASX Board also receives a statement from the CEO and Chief Risk Officer that ASX's risk management and internal control systems are operating effectively for the management of material business risks.

### **External auditor**

ASX has appointed PricewaterhouseCoopers (PwC) as its external auditor. The appointment was approved by shareholders at the 2008 AGM. The most recent change of lead audit partner took place in FY19.

Among its key responsibilities, PwC reviews ASX's financial reporting and provides an opinion on whether ASX's financial report gives a true and fair view of the ASX Group's financial position and financial performance, and whether it complies with Australian Accounting Standards and the Corporations Regulations 2001. PwC's opinion on the FY22 financial report is on pages 115 to 121.

PwC attends each Audit and Risk Committee meeting and meets with the Committee without management present at least once annually.

PwC has provided confirmation that there have been no contraventions of the auditor independence requirements under the *Corporations Act 2001* and no contraventions of any applicable code of professional conduct in relation to its audit (refer to page 73). The fees paid by ASX to PwC for non-audit services are disclosed on page 113.

PwC's lead partner will attend the 2022 AGM to answer any shareholder questions related to the external audit.

### **Verification of announcements and unaudited corporate reports**

The ASX Board has established a Continuous Disclosure Policy which sets out ASX's commitment to providing the market with full and timely information as well as the processes adopted by the ASX Board to meet ASX's commitment.

ASX has also established a Continuous Disclosure Committee which makes disclosure decisions, oversees the drafting of announcements and approves announcements. The Committee members include the CEO, Group General Counsel (Committee Chair), Chief Financial Officer, Chief Compliance Officer and Chief Strategy Officer.

ASX's Continuous Disclosure Committee approves ASX announcements, other than administrative announcements of the type set out in the Continuous Disclosure Policy. Written processes are in place for the approval of administrative announcements.

Where ASX's Continuous Disclosure Committee has determined that information will be publicly disclosed, one or more Committee members oversee the preparation of that announcement. The Committee is responsible for satisfying itself that the content of any announcement is accurate and not misleading and is supported by appropriate verification.

ASX releases a monthly activity report that includes, among other things, information regarding listings and capital raisings, trading volumes and values on ASX's equity and derivatives markets in the preceding month. These reports are reviewed by a senior manager against source documents before being provided for review and approval by the Chief Financial Officer (or their delegate). The reports are then released on the market announcements platform by the Company Secretariat function.



ASX's Continuous Disclosure Policy is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## **MAKE TIMELY AND BALANCED DISCLOSURES**

### **Continuous and periodic disclosure**

ASX is committed to providing shareholders and the market with equal access to material information about its activities in a timely and balanced manner. ASX's Continuous Disclosure Policy sets out the processes adopted to manage this commitment.

ASX will not disclose market sensitive information (or provide new and substantive investor or analyst presentations) to any analyst or investor unless it has first provided that information to the market and received an acknowledgment that the information has been released.

ASX provides copies of all material market announcements to directors promptly after they have been released to the market.



ASX's Continuous Disclosure Policy is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## **RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **Shareholder engagement and provision of information**

ASX provides information about the ASX Group and its governance practices on its website, including this Corporate Governance Statement, ASX's Constitution, Board and Committee Charters and key governance policies as well as the qualifications, skills and backgrounds of its directors and senior executives. ASX also makes available on its website copies of its annual reports, market announcements, notices of meeting and copies of presentations delivered to investors or analysts.

ASX has a section of the website dedicated to ASX's corporate governance, which can be found via the navigation menu 'About Us' at the bottom of the home page.

ASX is committed to communicating promptly, accurately and in plain language with shareholders. This commitment is detailed in ASX's Shareholder Communication Policy.

All market announcements are published on ASX's website after they have been released on the market announcements platform. ASX also publishes media releases and other relevant information on its website.

# Corporate governance statement continued

ASX uses a number of channels and technologies, including webcasting and social media, to communicate promptly, transparently and widely. We encourage shareholders to participate in shareholder meetings and we deal with shareholder enquiries fairly and respectfully.

Security holders are given the opportunity to join live webcasts of ASX's half-year and full-year results.



Further information about ASX's governance practices, including its Shareholder Communication Policy, is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Investor relations program

ASX has an investor relations program to facilitate effective two-way communication with the domestic and international investment community. It involves engagement throughout the year via both scheduled and ad hoc interactions with shareholders and potential investors, analysts and proxy advisers. The program seeks to provide information that is timely, of a high quality and relevant to shareholders' investment in ASX. Feedback from investor engagement, reports prepared by analysts and brokers and additional relevant information is regularly reviewed and reported to the Board as appropriate.

ASX does not hold meetings with investors or analysts to discuss ASX's financial performance within a blackout period of four weeks in advance of the half-year and full-year results announcements.

## Annual General Meeting

Details about ASX's 2022 Annual General Meeting (AGM) is provided on ASX's website.

The AGM is an opportunity for shareholders to hear from and to put questions to the Board and external auditors.

Detailed information about how shareholders can participate in the 2022 AGM is set out in the Notice of Annual General Meeting which is published on our website.

Shareholders are able to submit written questions to ASX in advance of the meeting. Details about how to do so are contained within the Notice of Meeting. These questions and comments are typically addressed at the meeting through the Chair or CEO speeches.

All resolutions put to the AGM are decided by way of a poll. This is to support the principle of 'one share, one vote'.



Information for shareholders about ASX's AGM is available on ASX's website at: [www2.asx.com.au/about/asx-shareholders/annual-general-meetings](http://www2.asx.com.au/about/asx-shareholders/annual-general-meetings)

## Shareholder communications

ASX encourages shareholders to receive communications electronically. Electronic communication allows ASX to communicate with shareholders quickly and reduces ASX's paper usage. ASX emails shareholders when important information becomes available such as financial results, dividend statements, notice of meetings, voting forms and annual reports.

Shareholders who receive postal communication from ASX can log into [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to provide their email address and elect to receive communications electronically.

## RECOGNISE AND MANAGE RISK

The ASX Board recognises that effective risk management is critical to maintaining ASX's reputation.

### Division of responsibilities

The ASX Board's responsibilities regarding risk management include:

- setting ASX's risk strategy and risk appetite
- overseeing systems of risk management and internal control and compliance
- overseeing the process for identifying significant risks facing the ASX
- satisfying itself that appropriate controls, monitoring and reporting mechanisms are in place.

Management executes the Board-approved risk strategy and manages ASX's operations within the Board-approved risk appetite. Management is responsible for identifying, monitoring, mitigating and reporting on risks.

### Audit and Risk Committee

As outlined above, the Board has established an Audit and Risk Committee which also serves as a committee of the CS Boards. The Committee's membership is set out on page 37. Stephen Knight, Chair of each of the CS Boards, also attends Audit and Risk Committee meetings as a representative of the non-ASX directors of the CS entities.

Further information on the role and responsibilities of the Audit and Risk Committee are set out on page 37 and are detailed in the Committee's Charter.

The Audit and Risk Committee receives regular reports from the Chief Financial Officer on financial matters, the Chief Risk Officer on enterprise risks, the Chief Compliance Officer on matters relating to the monitoring and enforcement of compliance with ASX's operating rules, as well as reports from ASX's Internal Auditor and Enterprise Compliance function and from ASX's external auditor.

In addition to the responsibilities above, as set out on page 37, the Audit and Risk Committee has a role in safeguarding the integrity of ASX's corporate reporting.

The number of times the Audit and Risk Committee met during FY22 and the individual attendance of its members are detailed on page 38



The Audit and Risk Committee Charter is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

### Technology Committee

During the reporting period, the ASX Board established a new board committee – the Technology Committee – to assist the Board in fulfilling its responsibilities in respect of various technology and data related matters including cyber security risks.

The Technology Committee receives reports from the Group Executive, Technology and Data and Chief Information Officer on technology and cyber security risks, the Chief Customer and Operating Officer on project and operational risks and the Group Executive Securities and Payments on the CHES replacement project, as well as reports from relevant executives on other key projects and associated risks.

The Technology Committee's membership is set out on page 37. The number of times the Technology Committee met during FY22 and the individual attendance of its members are detailed on page 38.



The Technology Committee Charter is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Risk management framework

ASX has a multilayered approach to the identification, management and mitigation of enterprise risk. Accountability and responsibility for risk governance and management are held at various levels across the ASX Group including the ASX Board, CS Boards, Board Committees, ASX executives and specialist functions including risk management and internal audit.

ASX has an established enterprise risk management framework. The framework encompasses, among other matters, the risk governance structure across ASX, the risk strategy and appetite, risk culture and behaviours, and supporting frameworks and processes governing risk assessment, monitoring and reporting.

ASX's risk management function has day-to-day responsibility for the implementation of the enterprise risk management framework.

The Audit and Risk Committee reviews the enterprise risk management framework annually. This review took place during the reporting period.

ASX's risk management framework involves three lines of defence:

- first line of defence – operational management and staff accountable for risk management within their business functions
- second line of defence – independent risk management and compliance functions that oversee, facilitate and assess risk management in Line 1
- third line of defence – independent assurance (including internal and external audit) to assess the effectiveness of ASX's control environment.

## Management committees

ASX has established the following internal management committees comprised of senior executives to assist with the oversight and management of risks:

**Risk Committee** chaired by the Chief Risk Officer. The Risk Committee has oversight of the implementation of ASX's enterprise risk management framework, approves risk policies and considers general risk matters consistent with the ASX Board's risk appetite

**Regulatory Committee** chaired by the Group General Counsel. The Regulatory Committee has oversight of licence compliance matters, develops and approves policies, and considers updates on regulatory and government engagement and ASX rule changes

**Technology and Cyber Committee** chaired by the Chief Information Officer. The Technology and Cyber Committee has oversight of IT security matters, systems updates and incident management and considers emerging technology, operational and security risks.

ASX also has a Portfolio Governance Group (PGG) comprised of senior executives (and chaired by the Chief Financial Officer). The PGG has oversight of the status of ASX's portfolio of projects, and considers risks and issues arising in relation to those projects.

## Internal audit

ASX's internal audit function reviews and reports on internal control systems and procedures. Its role and responsibilities are set out in its Charter.

The General Manager, Internal Audit reports to the Chair of the Audit and Risk Committee for functional audit purposes, and to the Chief Financial Officer for administrative purposes. The Audit and Risk Committee determines the internal audit's scope, function and budget each year.

Internal audit has full access to the Audit and Risk Committee and the CS Boards. It also is authorised to have unrestricted access to all functions' records, property and personnel. The internal audit function is independent of ASX's External Auditor.



ASX's Internal Audit Charter is published on its website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Enterprise compliance

ASX's enterprise compliance function maps the compliance frameworks for ASX's regulatory obligations, oversees ASX's conflict handling arrangements, and provides training to the business to ensure key Australian and international obligations are understood and complied with. It also undertakes compliance reviews and reporting to regulators. The General Manager of Enterprise Compliance has direct access to the Audit and Risk Committee Chair and is entitled to appear and be heard at all board meetings of the CS Boards.

## Exposure to environmental and social risks

Information on ASX's material business risks and how these are managed are provided on pages 21 to 23 in the Operating and Financial Review.

ASX's environmental and social sustainability risks, and how these are managed (including ASX's assessment of its exposure to climate change risks) are provided on pages 24 to 31 in the Sustainability Report.

## REMUNERATE FAIRLY AND RESPONSIBLY

ASX aims to attract and retain high quality directors and to attract, motivate and retain high quality senior executives.

The ASX Board oversees executive remuneration and non-executive director remuneration arrangements. It has established the Remuneration Committee to assist it in this regard. The Remuneration Committee helps to bring the focus and independent judgement needed for remuneration decisions.

The Remuneration Committee's responsibilities are set out in its Charter.

Under its Charter, the Remuneration Committee has unrestricted access to all staff and relevant records of the ASX Group it considers necessary to fulfil its obligations. It also has the right to seek explanations and additional information from management and auditors. The Committee Chair may directly seek independent professional advice at ASX's expense as required for the Committee to fulfil its responsibilities.

The number of times the Committee met during FY22 and the individual attendance of its members at those meetings are disclosed on page 38.

Details of executive and director remuneration and ASX's remuneration policies are disclosed in the Remuneration Report on pages 46 to 70.



The Remuneration Committee Charter is available on ASX's website at [www2.asx.com.au/about/corporate-governance](http://www2.asx.com.au/about/corporate-governance)

## Remuneration report

Dear fellow shareholders,

On behalf of the Board, I am pleased to present the Remuneration Report for the 2022 financial year (FY22).

Against the backdrop of global market uncertainty, ASX's financial performance was solid and our services were resilient. Our people met the ongoing challenges of the pandemic, including skills pressures in the labour market, to successfully manage high equity market volatility, significant listings activity, a revision of our operating model, and execution of our post-outage remediation plan. We are proud of the way our people have enhanced value for customers and strengthened the resilience of the critical infrastructure we provide for the Australian economy. We thank them for their commitment and congratulate them on their achievements.

## OVERVIEW OF CURRENT YEAR PERFORMANCE

ASX's financial performance in FY22 was solid, given the mixed market conditions. ASX's operating revenue was up 7.5% to \$1,022.7 million. Total expenses grew by 7.5%, in line with guidance provided in February 2022. Statutory net profit after tax (NPAT) was 5.7% higher than FY21 at \$508.5 million. This was influenced by lower futures volumes and interest income, offset by strong capital raisings and equity trading activity. Detail about ASX's financial performance is available in the Operating and Financial Review on pages 12 to 23 of this report. Our overall result reflects the benefits of ASX's diversified operating mix.

ASX focuses on ways to make business easier for our customers by developing innovative and digital solutions to meet their needs. Some of those achievements are outlined in tables 3.2 and 3.4 of this Remuneration Report.

Our ongoing investment in the resilience of our technology is yielding positive results, with an 89% decline in technology-related incidents since December 2016, and improved safety and reliability for our customers.

ASX continues to invest in the transformation of our infrastructure, to modernise and better meet the needs of our customers. The CHES replacement system will transform Australia's post-trade equities environment. Work on the CHES replacement project continues. CHES is a critical part of the market's post-trade infrastructure and the replacement system must be delivered safely.

Complex change takes time. The high scalability and resilience requirements we have for the new CHES system require additional development. On 3 August 2022, we announced a review to bring external expertise to assess the remaining work required to complete delivery of the application software for the new CHES. The review will also identify necessary actions for ASX to communicate a revised timetable to finish the project.

We understand that customers and stakeholders will be as disappointed as we are with the uncertainty of the current timeline. The Board has taken account of the change to the timeline of the CHES replacement program in the variable reward outcomes provided to executives this year.

The short-term variable reward (STVR) for executives accountable for the project was reduced by between 10% and 40%. The Board believes this outcome appropriately balances ASX's strong operational performance over the year, solid financial outcomes and the impact of the recent announcement. Other leaders who shared accountability for the delivery of the CHES replacement program also had their remuneration adjusted downward.

## REMUNERATION OUTCOMES SUMMARY

Based on ASX's performance, the Board determined that the incentive pool across the Group of 100% of target was appropriate. Further detail regarding how the incentive pool was determined is discussed in section 3.2 of this Remuneration Report. In FY22, the STVR outcomes for executives ranged from 60% to 105% of their target STVR, with the average STVR outcome being 87%.

The performance rights granted under the long-term variable reward (LTVR) Plan are measured against underlying earnings per share (EPS) and relative total shareholder return (TSR) targets.

In FY22, the LTVR granted in 2017 was tested. The CEO was the only current executive to receive this LTVR award. ASX's relative TSR was in the 68th percentile of the peer group for the four years to 26 September 2021. Therefore 76% of the TSR-related portion of this award vested. ASX's underlying EPS compound annual growth rate was 2.56% for the four years to 30 June 2021. This is below the threshold of 5.10% required for vesting. The EPS portion of the LTVR subsequently lapsed. Further details of the LTVR Plan can be found in section 4.5 of this Remuneration Report.

## NEW OPERATING MODEL

In FY22, we completed a review of our operating model, which clarifies lines of accountability by creating end-to-end businesses aligned around our customers' needs. A new Customer function has been established to drive ASX's transformation to a digitised, customer-oriented business.

## LEADERSHIP RENEWAL

In February 2022, Dominic Stevens announced his intention to retire after six years leading ASX, handing over to Helen Lofthouse on 1 August. Dominic leaves ASX in a strong financial and operational position and the Board extends our sincere thanks to him for his leadership.

Helen's appointment not only reflects the Board's faith in her capabilities but also its confidence in ASX's overall strategy and performance. Please see the Chair's Letter for more detail on the CEO succession. These changes will be presented in the FY23 Remuneration Report. Details of Dominic's entitlements upon retirement and Helen's FY23 remuneration arrangements are outlined in sections 6.7 and 6.8 of this Remuneration Report.

## STRENGTHENING ACCOUNTABILITY IN FY23

The Board maintains a strong focus on performance and risk management. We continually look for improvements in our processes to ensure remuneration outcomes are fair, appropriate and reflect the value generated for our stakeholders. Over the course of the year, an accountability framework has been developed that will be embedded in the performance and reward program at ASX from FY23 onwards. This new framework ensures that the expectations for each executive within the new operating model are further clarified. Our existing consequence management policy clearly and consistently reinforces the expected standards of behaviour. The Board's discretion is guided by a detailed framework that ensures remuneration outcomes are fair and proportionate to the issues being considered.

The Board believes that the reward outcomes at ASX reflect the value created for our various stakeholders. On behalf of the Board, I invite you to consider our Remuneration Report, which will be presented to shareholders at the 2022 Annual General Meeting.

Thank you for your support.



**HEATHER RIDOUT**  
*Chair, Remuneration Committee*

# Remuneration report continued

## CONTENTS

|                                                     |    |
|-----------------------------------------------------|----|
| 1. Key Management Personnel covered in this report  | 48 |
| 2. Glossary of key terms                            | 48 |
| 3. Snapshot of FY22 Group performance and reward    | 49 |
| 4. Executive remuneration framework                 | 59 |
| 5. Remuneration governance                          | 64 |
| 6. Statutory remuneration disclosure – Executives   | 66 |
| 7. Non-executive director remuneration arrangements | 69 |

## 1. KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

This Remuneration Report details the performance and remuneration of Key Management Personnel (KMP) for FY22. KMP is defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. The KMP comprises:

- non-executive directors of ASX Limited
- the CEO and members of the executive team who are accountable for managing critical business activities that uphold ASX's licences to operate, financial control, or risk functions (collectively termed Executives).

| Name                           | Role                                                                  | Term as KMP             |
|--------------------------------|-----------------------------------------------------------------------|-------------------------|
| <b>Non-executive directors</b> |                                                                       |                         |
| D Roche                        | Non-executive director                                                | Full year               |
| Y A Allen                      | Non-executive director                                                | Full year               |
| M B Conrad                     | Non-executive director                                                | Full year               |
| D T Curran                     | Non-executive director                                                | Commenced 21 March 2022 |
| K R Henry                      | Non-executive director                                                | Full year               |
| P R Marriott                   | Non-executive director                                                | Full year               |
| P S Nash                       | Non-executive director                                                | Full year               |
| H M Ridout                     | Non-executive director                                                | Full year               |
| H J Smith                      | Non-executive director                                                | Commenced 29 June 2022  |
| R J Woods                      | Non-executive director                                                | Full year               |
| <b>Executives</b>              |                                                                       |                         |
| D J Stevens                    | Managing Director and Chief Executive Officer (CEO)                   | Full year               |
| T J Hogben                     | Group Executive, Securities and Payments (GE Securities and Payments) | Full year               |
| G L Larkins                    | Chief Financial Officer (CFO)                                         | Full year               |
| H M Lofthouse                  | Group Executive, Markets (GE Markets)                                 | Full year               |
| H J Treleaven                  | Chief Risk Officer (CRO)                                              | Full year               |
| <b>Former Executives</b>       |                                                                       |                         |
| P D Hiom                       | Deputy CEO                                                            | Ceased 1 July 2021      |

## 2. GLOSSARY OF KEY TERMS

| Term              | Meaning                                                                                                                                                                                                                                                              |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EPS</b>        | Earnings per share, defined as the underlying net profit after tax divided by the weighted average number of issued shares during the year. The LTVR Plan has two performance measures, one of which is EPS.                                                         |
| <b>Executives</b> | The CEO, CFO, CRO, GE Markets, and GE Securities and Payments.                                                                                                                                                                                                       |
| <b>KMP</b>        | Key Management Personnel are those people with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. KMP comprises non-executive directors, as well as Executives as defined above.             |
| <b>TSR</b>        | Relative total shareholder return, defined as share price growth plus dividends paid over the measurement period compared to peers. Dividends are assumed to be reinvested on the ex-dividend date. The LTVR Plan has two performance measures, one of which is TSR. |

### 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD

#### 3.1 Remuneration received or available in the financial year

This section provides a snapshot of the performance of the Group and the corresponding remuneration outcomes. The remuneration illustrated in section 3.1 has been provided as additional non-statutory information to assist in understanding the total value of remuneration received by Executives in the current and prior financial years. The value of equity in this section is calculated in a different way to the statutory disclosure in section 6 of this Remuneration Report.

|                                                       | Year | Previous year awards that vested during the year |                                 |                           |           |                                   |                          |                    |
|-------------------------------------------------------|------|--------------------------------------------------|---------------------------------|---------------------------|-----------|-----------------------------------|--------------------------|--------------------|
|                                                       |      | Fixed remuneration <sup>1</sup>                  | Other remuneration <sup>2</sup> | STVR awarded <sup>3</sup> | Total     | Deferred STVR vested <sup>4</sup> | LTVR vested <sup>5</sup> | Total remuneration |
|                                                       |      | a                                                | b                               | c                         | d=a+b+c   | e                                 | f                        | g=d+e+f            |
| <b>Current</b>                                        |      |                                                  |                                 |                           |           |                                   |                          |                    |
| D J Stevens<br>CEO                                    | 2022 | 2,000,000                                        | 1,928                           | 480,000                   | 2,481,928 | 1,462,146                         | 600,256                  | 4,544,330          |
|                                                       | 2021 | 2,000,000                                        | 1,928                           | 640,000                   | 2,641,928 | 786,710                           | 878,945                  | 4,307,583          |
| T J Hogben <sup>6</sup><br>GE Securities and Payments | 2022 | 800,000                                          | 2,825                           | 240,000                   | 1,042,825 | 336,752                           | —                        | 1,379,577          |
|                                                       | 2021 | 248,173                                          | 657                             | 75,190                    | 324,020   | 363,098                           | —                        | 687,118            |
| G L Larkins<br>Chief Financial Officer                | 2022 | 800,000                                          | 1,928                           | 336,000                   | 1,137,928 | 164,399                           | —                        | 1,302,327          |
|                                                       | 2021 | 800,000                                          | 616,990                         | 256,000                   | 1,672,990 | —                                 | —                        | 1,672,990          |
| H M Lofthouse<br>GE Markets                           | 2022 | 825,000                                          | 1,928                           | 380,000                   | 1,206,928 | —                                 | —                        | 1,206,928          |
|                                                       | 2021 | 825,000                                          | 1,928                           | 380,000                   | 1,206,928 | —                                 | —                        | 1,206,928          |
| H J Treleaven<br>Chief Risk Officer                   | 2022 | 940,000                                          | 2,825                           | 126,000                   | 1,068,825 | 137,717                           | —                        | 1,206,542          |
|                                                       | 2021 | 875,000                                          | 1,928                           | 96,000                    | 972,928   | 130,171                           | —                        | 1,103,099          |
| <b>Total</b>                                          | 2022 | 5,365,000                                        | 11,434                          | 1,562,000                 | 6,938,434 | 2,101,014                         | 600,256                  | 9,639,704          |
|                                                       | 2021 | 3,923,173                                        | 621,503                         | 1,067,190                 | 5,611,866 | 1,279,979                         | 878,945                  | 7,770,790          |

1. Base salary, superannuation, non-monetary benefits and benefits that have been salary sacrificed such as participation in the Employee Share Plan.

2. Salary continuance insurance for all Executives. The 2021 value for Gill Larkins represents the vesting of the second tranche of restricted shares granted to Gillian Larkins on 15 February 2019, which vested on 1 September 2020. The value has been calculated using the five day volume weighted average share price up to and including the vesting date.

3. The portion of STVR awarded for the current financial year in cash. The remaining portion of STVR in respect of FY22 but deferred for two and four years, is shown in table 6.1.

4. The value of deferred STVR awarded in prior years as restricted ASX ordinary shares that vested in the current financial year. The value disclosed is based on the five-day volume weighted average price of ASX ordinary shares up to and including the vesting date.

5. The value of LTVR vested, calculated using the total number of rights vested, multiplied by the five-day volume weighted average price of ASX ordinary shares up to and including the vesting date.

6. The fixed remuneration, other remuneration and STVR awarded shown for Tim Hogben in 2021 is pro-rated based on his service in a KMP role up to 2 November 2020. The value of deferred STVR vested is the full value of awards that vested in that financial year. Between 3 November 2020 and 30 June 2021, Mr Hogben performed a role which was not deemed a KMP. Effective 1 July 2021, Mr Hogben assumed the role of GE Securities and Payments, and is considered a KMP for all of FY22.

#### 3.2 FY22 Group performance

The Board assesses the performance of the Group against ASX's financial performance, the achievement of our Vision, Strategy and Execution goals, the Group Scorecard and the management of risk. This assessment informs the Board's determination of the Group reward pool, which limits the total value of STVR payments available. The Board assigns a material weight to non-financial measures in setting goals and assessing performance. The Board considers three goal categories.

- The FY22 financial results, which may have a positive or negative impact on reward outcomes depending on performance.
- The Vision, Strategy and Execution goals, which relate to the delivery of key strategic priorities that drive future value for ASX and its stakeholders. Depending on performance, these goals may have a positive or negative impact on reward outcomes.
- The Group Scorecard, which represents operational standards for ASX. If these targets are not met, this may reduce reward outcomes.

The Board believes ASX has a robust remuneration governance framework in place, which supports the exercise of discretion to ensure variable remuneration outcomes are appropriate. In determining variable reward outcomes, the Board seeks performance input from the Chief Risk Officer, the Audit and Risk Committee, and Clearing and Settlement Boards. Remuneration outcomes are presented and further discussed with these groups. The Board considers the Group reward pool of 100% appropriately reflects the underlying performance of the Group in FY22.

# Remuneration report continued

## 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

The following tables summarise the Group's FY22 performance.

### FY22 financial outcomes

| Measure                                | Outcome                                                       | Performance against expectations |     |          |
|----------------------------------------|---------------------------------------------------------------|----------------------------------|-----|----------|
|                                        |                                                               | Not met                          | Met | Exceeded |
| Revenue                                | \$1,022.7 million, up 7.5% on FY21                            |                                  | ✓   |          |
| Expense                                | 7.5% growth, in line with guidance provided in February 2022  |                                  | ✓   |          |
| Statutory net profit after tax (NPAT)  | \$508.5 million, up 5.7% on FY21                              |                                  | ✓   |          |
| Underlying net profit after tax (NPAT) | \$508.5 million, up 5.7% on FY21                              |                                  | ✓   |          |
| Earnings per share (EPS)               | \$262.7, up 5.7% on FY21                                      |                                  | ✓   |          |
| Dividends per share (DPS)              | 236.4 cents, fully franked, up 5.7% on FY21. Payout ratio 90% |                                  | ✓   |          |
| Capital expenditure (capex)            | \$105.2 million, in line with guidance                        |                                  | ✓   |          |

### Vision, Strategy and Execution

| Vision, Strategy and Execution                                                                                                                       |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Performance against expectations |     |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----|----------|
| Measure                                                                                                                                              | Target                                                                                                                                                                                                          | Outcome                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Not met                          | Met | Exceeded |
| Enduring trust, integrity and resilience                                                                                                             |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |     |          |
| Strengthen risk and compliance ownership, awareness, accountability and speaking up                                                                  | <ul style="list-style-type: none"><li>Positive risk leadership, awareness and speaking up scores.</li><li>Uplift enterprise compliance framework.</li></ul>                                                     | <ul style="list-style-type: none"><li>Risk and compliance culture survey scores remain at high levels in the broad categories of leadership (88%), awareness (90%) and speaking up (86%). Continued wide and improving risk reporting across ASX. Enterprise compliance framework uplift milestones met. A triennial independent review of enterprise risk and compliance identified known issues that are being addressed within ASX's work plan.</li></ul> |                                  | ✓   |          |
| Create customer value, delivery agility and resilience through 'delivery excellence uplift' plan to enhance project delivery and execution practices | <ul style="list-style-type: none"><li>Delivery of milestones in internal training, project risk management and project assurance framework.</li><li>Implementation of remediation work.</li></ul>               | <ul style="list-style-type: none"><li>Delivery excellence program tracking to plan with positive feedback from independent expert on program governance, resourcing, execution and engagement.</li></ul>                                                                                                                                                                                                                                                     |                                  | ✓   |          |
| Innovative solutions and technology                                                                                                                  |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |     |          |
| Provide ASX's customers with access to a full service distributed ledger technology (DLT) system                                                     | <ul style="list-style-type: none"><li>Launch a DLT (blockchain) cloud-based platform capable of supporting customers to build innovative, digital, multi-party solutions on ASX's world-class ledger.</li></ul> | <ul style="list-style-type: none"><li>ASX Synfini product launched in December 2021 with good take-up through foundation customers.</li></ul>                                                                                                                                                                                                                                                                                                                |                                  | ✓   |          |
| Deliver CHESSE eStatement solutions to market                                                                                                        | <ul style="list-style-type: none"><li>CHESSE eStatement solution functional.</li><li>Investors supported through web portal.</li></ul>                                                                          | <ul style="list-style-type: none"><li>CHESSE eStatement solution delivered in December 2021, with support for investors and brokers.</li></ul>                                                                                                                                                                                                                                                                                                               |                                  | ✓   |          |
| Customer-focused                                                                                                                                     |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                  |     |          |
| Progress CHESSE replacement project                                                                                                                  | <ul style="list-style-type: none"><li>Deliver project milestones to agreed budget, timelines, and business and regulatory requirements.</li></ul>                                                               | <ul style="list-style-type: none"><li>CHESSE replacement project continues to progress, with significant milestones including the opening of industry test environments 1 and 2 this year. However, the delivery of the application software is being reviewed and the go-live date has been delayed to ensure a safe and efficient rollout.</li></ul>                                                                                                       | ✓                                |     |          |

### 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

|                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                   |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Improve customer experience through customer service design, process re-engineering and digitisation | <ul style="list-style-type: none"> <li>– Improved digital interactions, customer service and stakeholder engagement and sentiment.</li> <li>– Executed program to elevate stakeholder engagement. Re-engineered and digitised key customer services including enhancements to: asx.com.au; the customer feedback process; the campaign management process; and system status updates for incidents.</li> </ul> | <div> <div></div> <div>✓</div> <div></div> </div> |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|

#### Vision, Strategy and Execution

| Measure | Target | Outcome | Performance against expectations |     |          |
|---------|--------|---------|----------------------------------|-----|----------|
|         |        |         | Not met                          | Met | Exceeded |

#### Diverse ecosystem

|                                                                  |                                                                                                                                                                       |                                                                                                                                                                                 |                                                   |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Expand the banking ecosystem for Sympli                          | <ul style="list-style-type: none"> <li>– Expansion of connections to three major banks.</li> <li>– Creation of connection platform for other institutions.</li> </ul> | <ul style="list-style-type: none"> <li>– Significant progress made with connection to all major banks and tier 2 institution. Platform proven in production.</li> </ul>         | <div> <div></div> <div></div> <div>✓</div> </div> |
| Diversified listings strategy to expand the investment ecosystem | <ul style="list-style-type: none"> <li>– Increased diversity of listings with a focus on geographic and sector diversity.</li> </ul>                                  | <ul style="list-style-type: none"> <li>– In FY22, 52 new technology, healthcare and foreign company listings, 41 new products and 120 advisers joined the ecosystem.</li> </ul> | <div> <div></div> <div></div> <div>✓</div> </div> |

#### Collaborative culture

|                                                                     |                                                                                                        |                                                                                                                                                                                                               |                                                   |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Deliver a refreshed operating model aligned to ASX's strategic plan | <ul style="list-style-type: none"> <li>– Achieve operating model review project milestones.</li> </ul> | <ul style="list-style-type: none"> <li>– New operating model implemented in November 2021, organising lines of business around the customer and promoting greater transparency and accountability.</li> </ul> | <div> <div></div> <div>✓</div> <div></div> </div> |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|

#### Group scorecard

| Measure | Target | Outcome | Performance against expectations |     |          |
|---------|--------|---------|----------------------------------|-----|----------|
|         |        |         | Not met                          | Met | Exceeded |

|                                      |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                   |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Risk management and regulatory focus | <ul style="list-style-type: none"> <li>– Deliver on all regulatory requirements and achieve high standards of regulatory engagement.</li> <li>– No major issues for each of the six core market and clearing and settlement licences.</li> </ul>                            | <ul style="list-style-type: none"> <li>– Strong standard of engagement with regulators in a challenging environment. No significant regulatory breaches (legal, compliance, finance, tax or operations) or major issues arose in FY22 across six core licences, noting that licence conditions were imposed on ASX, ASX Settlement and ASX Clear in relation to the FY21 ASX Trade outage.</li> </ul>                                                 | <div> <div></div> <div>✓</div> <div></div> </div> |
| Operational excellence               | <ul style="list-style-type: none"> <li>– No significant issues in service delivery, targeting 99.95% uptime across the five key systems and minimal uptime issues across all 26 key systems.</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>– Overall uptime across the five key systems was 99.99%, impacted by one instance of hardware failure on the ASX 24 system. The system was recovered within four hours and positive feedback was received from stakeholders on the management of recovery.</li> </ul>                                                                                                                                          | <div> <div></div> <div>✓</div> <div></div> </div> |
| Leadership and culture               | <ul style="list-style-type: none"> <li>– Movement toward diversity targets – 45% across all levels of management.</li> <li>– Improved employee alignment and engagement as determined by employee engagement survey.</li> <li>– Appropriate succession planning.</li> </ul> | <ul style="list-style-type: none"> <li>– Gender diversity remained stable, with 38% of all leadership roles performed by females. Increase in female representation on the Executive Committee to 50%. 42% of all ASX employees are female.</li> <li>– Employee engagement reverted to pre-pandemic levels, down 9% on FY21. Plans enacted to boost engagement in FY22.</li> <li>– Appropriate succession planning in place for key roles.</li> </ul> | <div> <div></div> <div>✓</div> <div></div> </div> |

# Remuneration report *continued*

## 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

### 3.3 FY22 Executive short-term variable rewards (STVR) outcomes

The STVR for Executives is based on a combination of the Group's performance (the Group reward pool) and an individual's performance. Subject to the Group reward pool, Executives may typically receive an STVR payment around their target opportunity where they have achieved their goals. An Executive's goals are drawn from the Vision, Strategy and Execution goals, the Group Scorecard and individual goals based on the accountabilities of that Executive's role. The ASX values and risk management are also explicitly considered when evaluating an Executive's performance, as they guide the way Executives behave in achieving their goals and how they manage risk.

On 3 August 2022, ASX announced a delay to the implementation of the CHES replacement project. The uncertainty of the timetable to deliver the CHES replacement project has a negative impact on our customers and stakeholders. The Board considers it appropriate to make the following adjustments to the STVR outcomes for Executives accountable for this project: CEO reduced by 40% of target. Allocation of group pool was reduced by 20% for GE Securities and Payments and by 10% for the CRO.

Table 3.3 sets out the post-adjustment STVR outcomes for FY22.

|                | Total STVR awarded <sup>1,2</sup> |      | Cash payment paid<br>August 2022 | STVR deferred<br>for 2 years<br>(vesting August 2024) <sup>3</sup> | STVR deferred<br>for 4 years<br>(vesting August 2026) <sup>3</sup> |
|----------------|-----------------------------------|------|----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
|                | \$                                | %    | \$                               | \$                                                                 | \$                                                                 |
| <b>Current</b> |                                   |      |                                  |                                                                    |                                                                    |
| D J Stevens    | 1,200,000                         | 60%  | 480,000                          | 360,000                                                            | 360,000                                                            |
| T J Hogben     | 600,000                           | 80%  | 240,000                          | 180,000                                                            | 180,000                                                            |
| G L Larkins    | 840,000                           | 105% | 336,000                          | 252,000                                                            | 252,000                                                            |
| H M Lofthouse  | 950,000                           | 100% | 380,000                          | 285,000                                                            | 285,000                                                            |
| H J Treleaven  | 315,000                           | 90%  | 126,000                          | 94,500                                                             | 94,500                                                             |

1. Total STVR award including cash payment and deferred component.

2. The STVR forfeited is determined by subtracting the 'total STVR awarded %' from the maximum potential STVR of 150% of target. The average STVR forfeited by Executives in FY22 was 63% of the maximum potential STVR (compared to 73% of the maximum potential STVR in FY21).

3. The deferred STVR awards are subject to continued employment and satisfactory performance over the deferral period.

### 3.4. Long-term performance

Our long-term performance can be measured by our progress to achieve our vision to be 'the world's most respected financial marketplace'. This means being respected by analysts and investors, by customers, staff, government, regulators and peer markets.

The strategy to achieve our vision involves five interdependent elements. There has been significant progress in each of these areas. A summary of some significant achievements over the longer term is provided in the following table:



#### Enduring trust, integrity and resilience

Our focus on enduring trust, integrity and resilience is fundamental to our core offering, our brand value and our licence to operate in the Australian market.

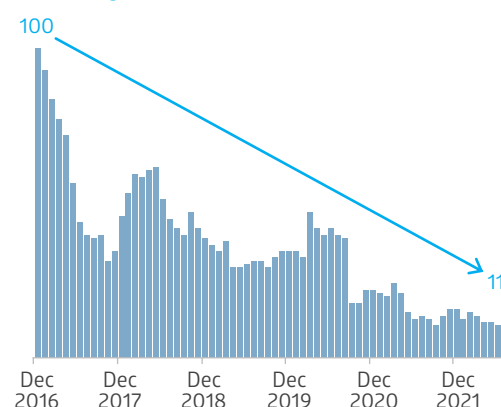
Our work in this area contributes to ASX operating a resilient, fair and open marketplace, especially in the face of volatility and under market pressure. These demonstrated capabilities have enhanced the open, respectful and constructive relationship ASX has with its regulators.

#### Declining incidents

- Delivered an 89% decline in incidents since December 2016, reflecting:
  - > execution of multi-year Building Stronger Foundations initiatives
  - > increased investment in infrastructure and expertise
  - > technology contemporisation.
- Improvement achieved at the same time as:
  - > significant increase in technology change program
  - > increase in technology footprint.
- Averaged 99.99% uptime across all five key systems<sup>1</sup> between 1 July 2016 and 30 June 2022.

1. ASX Trade, CHES, Austraclear, NTP/SYCOM and Genium clearing.

Index of incidents that have a customer impact on a rolling six-month basis (Dec 2016 = 100)



### 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED



#### Innovative solutions and technology

Embracing innovation and being open to change supports ASX's position as a leading global market, earning the respect of our stakeholders and peer markets.

Our capability to innovate, to make life easier for customers and to help companies grow, creates value for shareholders and advances the Australian economy.

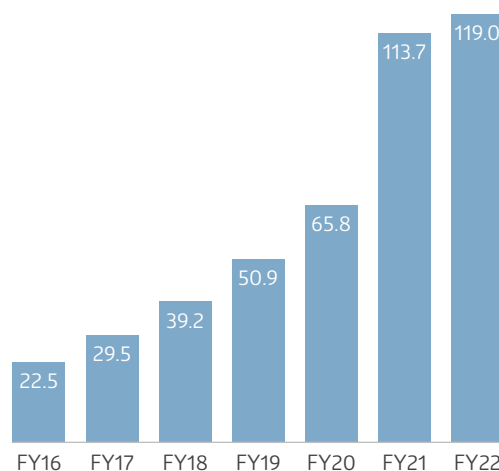
#### CHESS replacement

- Continued progress towards replacement of the CHESS platform with contemporary distributed ledger (blockchain) technology:
  - > upgraded messaging to global ISO 20022 standard
  - > new customer functions such as corporate action elections
  - > new connectivity options
  - > simpler permissioning of data
  - > strengthened investor protections, improved performance and security
  - > open technology to support global interoperability and accelerate innovation.
- Industry test environment testing for organisations developing software is tracking to expectations and plan since opening at the end of November 2021. The distributed ledger is performing well to current production volumes and application code fixes are in line with expectations given the technical complexity.
- Comprehensive documentation published including functional specifications and messaging requirements, and the scenarios for software provider accreditation and CHESS user operational readiness.
- Conclusion of consultation on the three tranches of draft operating rule amendments.
- An independent review has been commissioned to assess the remaining work required to complete the delivery of the application software.
- Existing CHESS remains secure and stable, and continues to perform well as we transition to a replacement CHESS system.

#### ETF product innovation

- Facilitated a range of innovative new investment products – reducing costs for issuers and flexibility for investors:
  - > Australia's first exchange-traded fund (ETF) with exposure to listed-entities undertaking crypto-related activities
  - > hybrid fund structure where the underlying trust can issue both closed and open ended units
  - > dual access structure where investors have the option of transferring their units from the off-market register to the on-market equivalent (CHESS) and vice versa with corresponding transaction/trading venues.
- These innovative solutions have contributed to the growth of ASX's exchange-traded products (ETP):
  - > ASX-listed BetaShares Crypto Innovators ETF generated ~\$40m inflows on its first day of trading, exceeding the previous record five times
  - > over the past seven years the market capitalisation of ASX-listed ETPs has grown at a compounded annual growth rate of 32%.

Market capitalisation of ASX-listed exchange-traded products (\$bn)



# Remuneration report continued

## 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED



### Customer-focused

ASX promotes customer-focused thinking across the whole of ASX. Companies, corporates and issuers of capital from Australia and around the world engage with ASX to manage risk and raise capital to grow. Our customers value ASX's operating strength, resilience and dependability. Having a reliable, well-capitalised and trusted company at the heart of Australia's financial markets has never been more important.

### Bank bill swap rate (BBSW) benchmark initiative

- Significant work with prime banks, regulators and bank bill investors to enhance the BBSW benchmark methodology, adding robustness and longevity to the reference rate, enabling its continued use.
- The cost savings to the local financial industry from this successful initiative is estimated to be in the hundreds of millions.

## >\$340M

Estimated industry cost savings from not having to re-paper every BBSW-based swap, loan, investment or financial product<sup>1</sup>.

1. ASX estimate based on Oliver Wyman's March 2020 estimated cost to re-document London interbank offered rate (LIBOR) swaps.

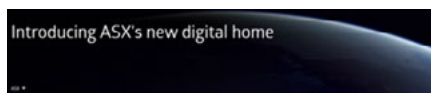
### ASX CHESS Statements Portal

- Successfully launched the ASX CHESS statements portal, giving investors the ability to receive electronic holding statements and notifications, making it easier for investors to stay on top of their holdings and benefiting the environment by reducing waste. This service is already supported by 18 market participants with major brokers targeting to offer electronic statements to their customers later in 2022. Once fully adopted by the investment community, electronic statements will save over 25 million pages of paper per year.

## 25M+

Pages of paper saved each year once ASX CHESS electronic statements are fully adopted by the investment community.

### Improved digital experiences



Making it easier to do business with ASX  
 Your trusted source for the Australian market is now paired with new features, such as:

- Redesigned company pages with rich interactive charting and analysis tools
- New dynamic market data displays designed to work on any device, and
- Smartest and a daily market wrap so you can track market moves



- Executed program of continuous improvement to re-engineer and digitise key customer services including enhancements to asx.com.au, the customer feedback process, and system status updates for incidents, based on stakeholder feedback.

### Customer-centric operating model redesign

Refreshed ASX's operating model to ensure the structure better represents our businesses and our areas of focus, enhances accountability and delivery, aligns with our customers and supports growth:

- transitioned business development teams into four, clearly defined, end-to-end, integrated lines of business, focused on delivering the operations, technology and project landscapes relevant to their business
- elevated the Customer function, supporting ASX to transform into a digitised, customer-oriented business, with a stronger connection to our customers, and seamless customer support and service.

### 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

#### Outcomes for customers and stakeholders

#### Achievements



#### Diverse ecosystem

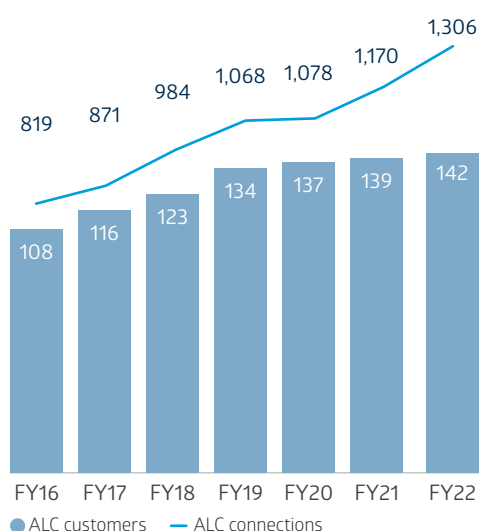
We are continuing to build diverse ecosystems to improve the service offering to our customers and the resilience of our business model.

Creating a diverse ecosystem is about more than products and services. It is also about providing an open system of collaboration and partnerships with benefits across the entire system.

#### ALC expansion

- Expanded and diversified the Australian Liquidity Centre (ALC) ecosystem.
- Using FY16 as a baseline, over the past six years:
  - > ALC customers have increased by 59%
  - > ALC connections have increased by 31%.
- 59% of new organisations joining the ALC during this period were non-trading clients, demonstrating the value of the ALC ecosystem to both ASX and the entire financial services industry.

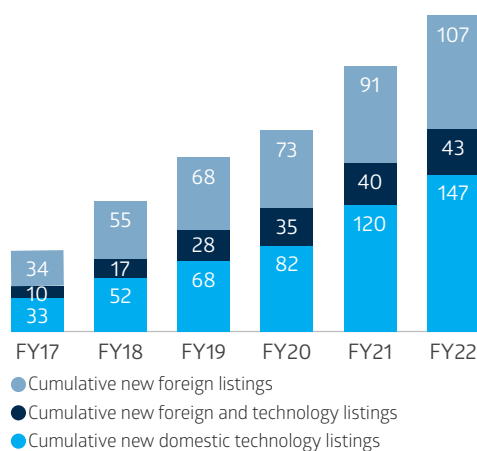
#### ALC customers and connections



#### Growth in foreign and technology listings

- Diversified our listings ecosystem by attracting foreign and technology listings. Over the past six years, 297 technology and foreign entities have listed on ASX.
- ASX's technology listings strategy has been supported by the launch of the S&P/ASX All Technology Index. Covering over 60 companies, the index has enhanced the visibility of the sector and has enabled easier and more transparent ETF and index-based investing.

#### Cumulative new foreign and technology listings FY17 to FY22<sup>1</sup>



1. Technology listings measured using S&P/ASX All Technology Index Global Industry Classification Standard, companies deemed 'Fintech' or predominantly technology enabled.

#### ASX's DLT as a service offering

- Developed and launched Synfini, ASX's DLT as a service offering, expanding ASX's reach into new markets outside of financial services and providing a platform for cross-collaboration across the ecosystem.
- Foundation customers include KPMG and NSW Government's 'Building Trustworthy Index', a blockchain based platform that allows stakeholders such as property buyers, banks, insurers and regulators to review the provenance and quality of materials and contractors used in the construction of buildings.

# Remuneration report continued

## 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED



### Collaborative culture

The way we treat our employees drives engagement and alignment between our people and ASX, ultimately allowing us to attract and retain great people. Our people deliver the innovation, proactive risk management and customer-focused thinking that drives our company forward.

- Invested in our people to position ourselves for the future, with a 38% increase in permanent and maximum term employees to enhance our operating capability, particularly in technology and risk management.
- Led staff through the challenges of the pandemic achieving high levels of support, with 93% of employees expressing confidence in ASX's leadership through the pandemic and ability to create a safe workplace.
- We remain an Employer of Choice for Gender Equality (2020-22). ASX's inclusion – for the ninth time – recognises our commitment to gender equality in areas such as flexibility, parental leave, women in leadership and pay.
- We celebrate our people's culture and heritage, support LGBTIQ+ employees, promote a gender equal culture, encourage community participation and giving, and promote employee health and wellbeing through our five employee networking groups.

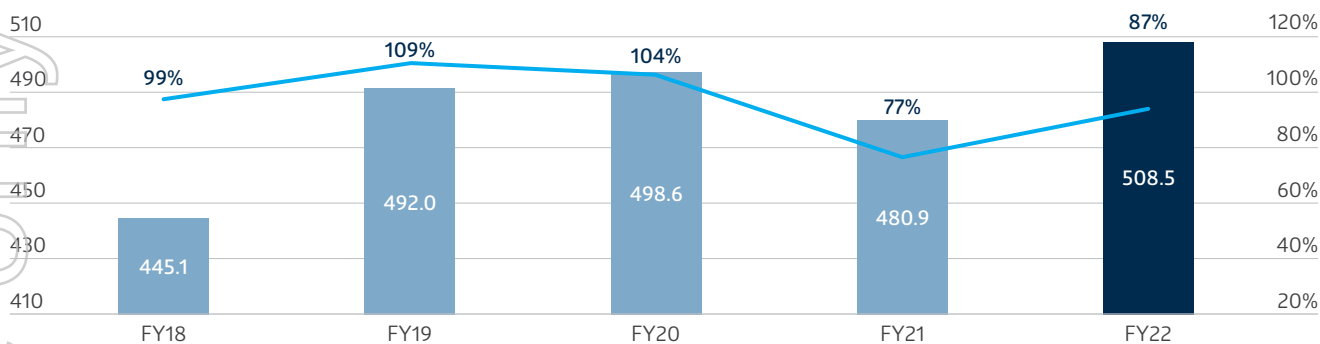
Employer of Choice for  
Gender Equality for the 9th time



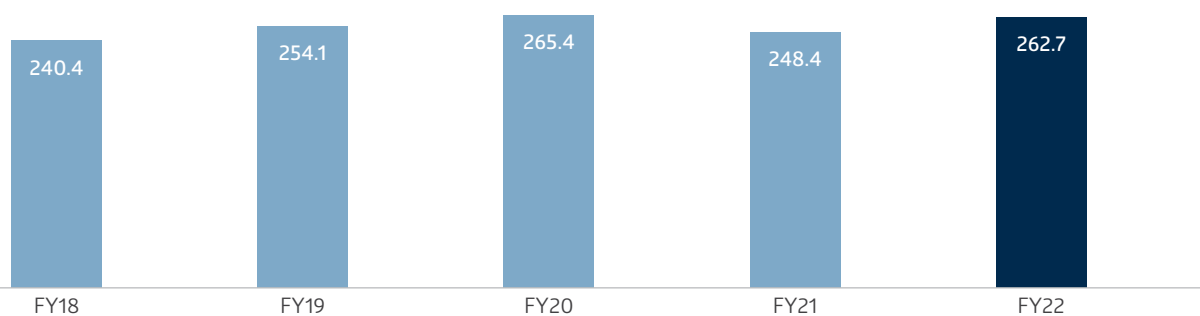
### 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

Through the continued execution of our customer-focused, technology-driven strategy, we are working towards the ongoing delivery of attractive returns to shareholders over time. The following charts illustrate the long-term performance of the Group against key financial metrics.

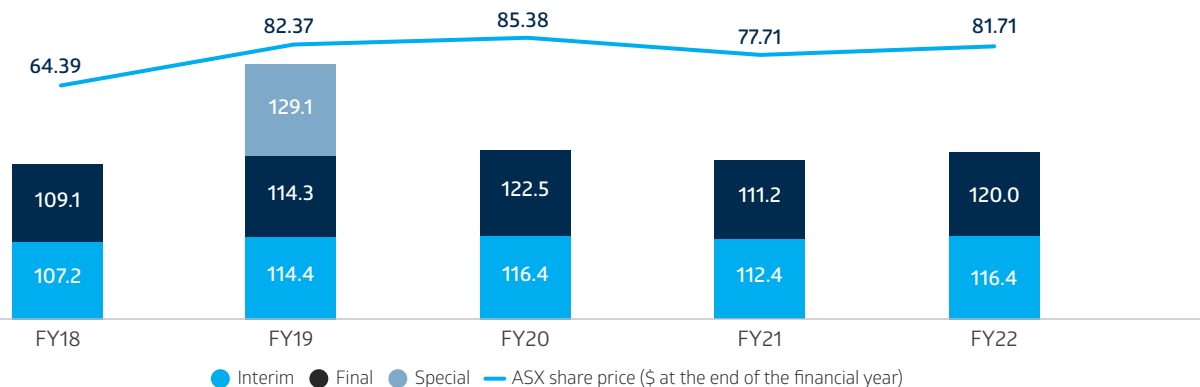
Statutory net profit after tax (\$million) and STVR outcome (% of target) for Executives



Underlying earnings per share (cents)



Dividends per share (cents)



# Remuneration report continued

## 3. SNAPSHOT OF FY22 GROUP PERFORMANCE AND REWARD CONTINUED

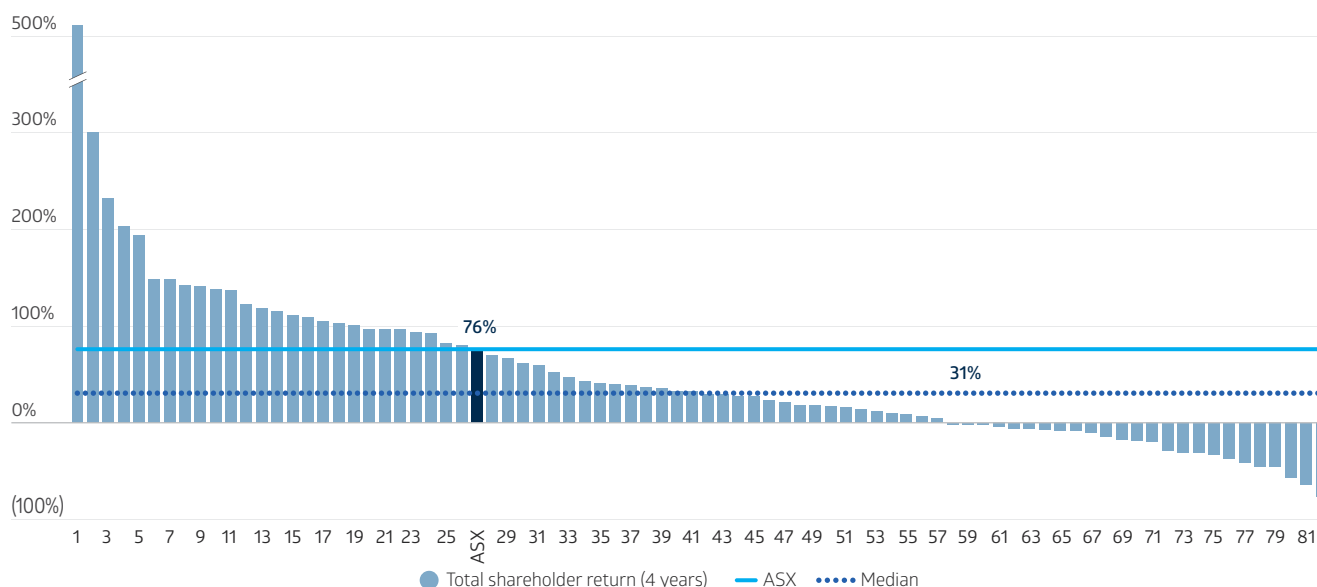
### Impact on Executive reward

ASX's remuneration framework focuses Executives on attaining long-term, sustainable performance. This is achieved by connecting our Executives to the experience of shareholders through equity-based deferral of their STVR and through the LTVR. The LTVR rewards the achievement of challenging performance hurdles based on the underlying EPS compound annual growth rate and ASX's relative TSR compared to other ASX 100 companies, excluding property trusts. Both performance measures are assessed over four years.

In FY22, the 2017 LTVR grant was tested.

- ASX's underlying EPS compound annual growth rate over the four years to 30 June 2021 was 2.56%, which did not meet the minimum performance hurdle of 5.10%, and this award subsequently lapsed. ASX's long-term underlying EPS can be seen on the preceding chart.
- ASX's relative TSR was in the 68th percentile of the peer group and therefore 76% of the TSR-related portion of this award vested. The relative TSR of ASX compared to the peer group can be seen in the following chart.

### ASX four-year relative TSR against the ASX 100, excluding property trusts



## 4. EXECUTIVE REMUNERATION FRAMEWORK

### 4.1 Application of reward principles

The Board has determined six principles which provide a clear link between our vision, our business strategy and our remuneration framework. A summary of the remuneration principles and their delivery through the remuneration framework is provided below.

| Principle                                                                                                                                                                                                                                   | Execution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Vision and strategy</b><br><i>Supports the realisation of ASX's vision and its strategy to create long-term, sustainable shareholder value</i>         | <ul style="list-style-type: none"> <li>– To support the realisation of ASX's vision and delivery of our strategy, Executives are rewarded for both the short-term and long-term performance of the Group.</li> <li>– The STVR is based around a target outcome and adjusted to recognise the achievement of goals within the financial year that aligned to ASX's strategy.</li> <li>– The LTVR is aligned to the creation of shareholder value through the relative TSR and EPS hurdles.</li> <li>– A portion of an Executive's total variable award is managed through the compulsory deferral in ASX shares, creating alignment with shareholders through the performance of ASX's share price.</li> </ul>                      |
|  <b>Customer-focused</b><br><i>Reflects the outcomes achieved for ASX's customers</i>                                                                      | <ul style="list-style-type: none"> <li>– Both the performance of the Group overall and the performance of individual Executives are assessed against the strategic priorities, with customer-focused goals playing a significant role.</li> <li>– In determining final variable remuneration outcomes, the Board assesses Executives' roles in leading a customer-focused culture and takes into account the range of customer outcomes that have been achieved in the performance period.</li> </ul>                                                                                                                                                                                                                              |
|  <b>Holistic performance</b><br><i>Applies appropriate financial and non-financial performance measures and reflects the accountabilities of each role</i> | <ul style="list-style-type: none"> <li>– An Executive delivers value through their achievement of financial goals, quantifiable non-financial goals and delivering against the core accountabilities of their role. ASX believes it is also important how an Executive achieves their results, and measures their demonstration of behaviours aligned to ASX's values.</li> <li>– To determine what reward may be provided to Executives, each year a performance assessment is undertaken that includes a self-assessment, manager assessment and Board assessment. This process incorporates subsidiary board or committee feedback where appropriate and an assessment of risk management by the Chief Risk Officer.</li> </ul> |
|  <b>Risk aligned</b><br><i>Encourages behaviours aligned to our values, our risk management framework and our licence to operate</i>                     | <ul style="list-style-type: none"> <li>– The Board considers the management of risks undertaken in determining variable remuneration outcomes, including the vesting of performance rights previously awarded.</li> <li>– ASX defers a portion of STVR awards over two and four years to ensure risks are appropriately considered over the longer term before value is received by the Executive. ASX measures the LTVR over a period of four years. All variable remuneration is subject to satisfactory performance and the Board has discretion to make adjustments to deferred remuneration. Adjustments can include partial reductions or complete forfeiture of the current year STVR or deferred awards.</li> </ul>        |
|  <b>Market competitive</b><br><i>Attracts and retains employees with the skills required to deliver ASX's strategy</i>                                   | <ul style="list-style-type: none"> <li>– ASX provides competitive total remuneration (fixed remuneration and variable reward) that is benchmarked against market data for comparable roles in companies of a similar size and other publicly available market information.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|  <b>Fair and equitable</b><br><i>Awards fairly and equitably</i>                                                                                         | <ul style="list-style-type: none"> <li>– The Board regularly reviews remuneration outcomes across the whole organisation to ensure there is no bias in how employees are rewarded due to any employee's personal characteristics.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# Remuneration report continued

## 4. EXECUTIVE REMUNERATION FRAMEWORK CONTINUED

### 4.2 Executive remuneration components

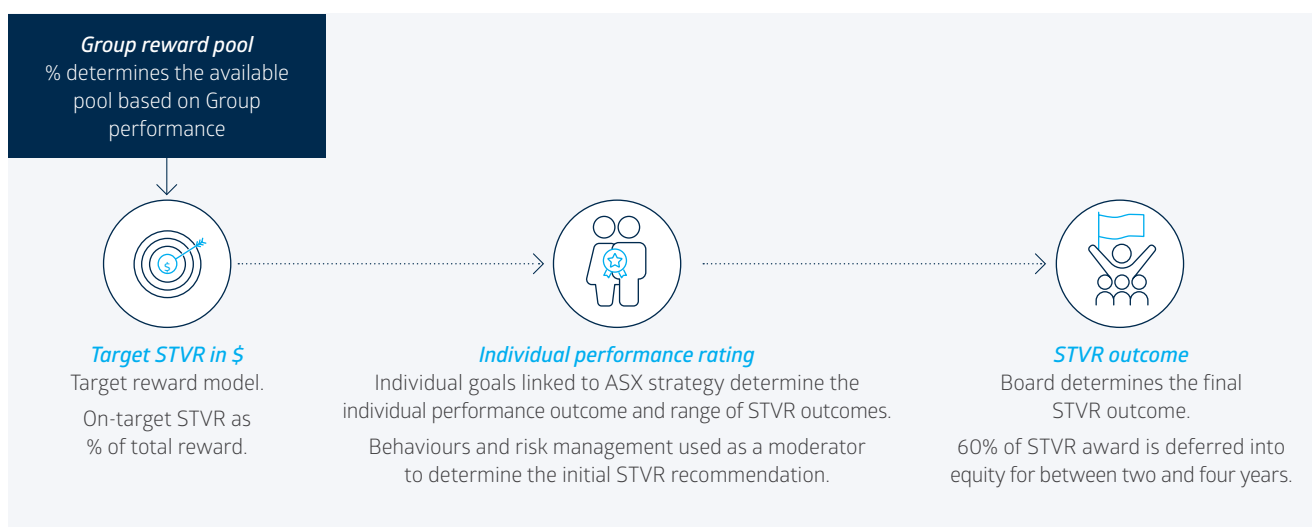
The total remuneration for Executives is made up of both fixed and variable remuneration. Variable remuneration is provided through the STVR and LTVR. Total remuneration is set with reference to market benchmarks, which are typically within the banking, finance, legal, technology and other sectors relevant to ASX's functions, or to the broader market.

### 4.3 Fixed remuneration

ASX provides competitive fixed remuneration to attract and retain talent. Fixed remuneration is paid as cash and comprises salary, superannuation, and salary-sacrificed items including non-monetary benefits and the general Employee Share Plan. Fixed remuneration is set considering the mix of fixed remuneration and variable remuneration appropriate for the role.

### 4.4 Short-term variable reward (STVR)

The considerations in determining the STVR outcomes for Executives are illustrated in the following diagram.



#### 4. EXECUTIVE REMUNERATION FRAMEWORK CONTINUED

The following table outlines the key elements of the STVR Plan.

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>                  | <ul style="list-style-type: none"> <li>– Encourage the achievement of financial and non-financial goals that support the Group's strategy.</li> <li>– Reflect the appropriate management of risk.</li> <li>– Deferral periods extend the reward time frame to consider risks being managed.</li> <li>– Reflects behaviours to ensure employees act in accordance with ASX's values.</li> </ul>                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Performance</b>              | <b>Group performance</b> <ul style="list-style-type: none"> <li>– The target STVR pool for Executives is calculated as the sum of individual target reward opportunities.</li> <li>– Following an assessment of the Group's performance, the Board determines what percentage of the pool may be released. This is referred to as the Group reward pool.</li> <li>– The Group reward pool represents the maximum amount available for STVR payments across employees under the STVR Plan. An amount less than this limit may be spent, depending on individual performance.</li> <li>– The CEO's STVR is determined separately to the Group reward pool.</li> </ul> | <b>Individual performance</b> <ul style="list-style-type: none"> <li>– Individual performance is based on a holistic assessment of an Executive's performance and behaviours across their core accountabilities and their delivery of strategic priorities.</li> <li>– An Executive's goals are cascaded from the Vision, Strategy and Execution goals, the Group Scorecard and goals drawn from the accountabilities of an Executive's role.</li> <li>– An Executive's performance rating determines what percentage of individual STVR targets are received.</li> <li>– The range is 0% to 150%.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Evaluation and approval</b>  | <ul style="list-style-type: none"> <li>– The CEO presents the Board with an assessment of the Group's performance based on achievement against the Vision, Strategy and Execution goals, the Group Scorecard and the management of risk.</li> <li>– The Board incorporates feedback from the CEO and the CRO and other relevant control functions to determine the Group reward pool.</li> </ul>                                                                                                                                                                                                                                                                    | <b>For Executives:</b> <ul style="list-style-type: none"> <li>– The CRO makes an assessment of risk management for all Executives, incorporating feedback from other control functions. The CRO subsequently provides this assessment directly to the Remuneration Committee.</li> <li>– The CEO recommends to the Remuneration Committee the individual performance ratings and the percentage of STVR target to be applied for Executives, considering feedback from the CRO, the Audit and Risk Committee, and Clearing and Settlement Boards where appropriate.</li> <li>– The Remuneration Committee considers the CEO's recommendations and then makes final recommendations to the Board for approval.</li> </ul><br><b>For the CEO:</b> <ul style="list-style-type: none"> <li>– The Chair of the Board provides performance and STVR recommendations to the Remuneration Committee, considering feedback from the CRO and Clearing and Settlement Boards.</li> <li>– The Remuneration Committee considers the Chair's recommendations and then makes final recommendations to the Board for approval.</li> </ul> |
| <b>Instrument</b>               | <ul style="list-style-type: none"> <li>– 40% of the STVR is delivered in cash, with 60% deferred into restricted ordinary shares. Half of the deferred portion vests after two years of ongoing employment, with the remainder vesting after four years of ongoing employment. Restricted shares hold the same rights as ordinary shares, including voting and receiving dividends.</li> </ul>                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Treatment upon departure</b> | <ul style="list-style-type: none"> <li>– Under the rules of the STVR Plan, restricted shares will be forfeited if the participant ceases employment due to reasons other than a qualifying reason. A qualifying reason means death, permanent disability, retirement, hardship, redundancy or other reasons determined by the Board. If the participant's employment is terminated for a qualifying reason, the Board retains a discretion to determine that some or all shares will not be forfeited and release the holding lock.</li> </ul>                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

# Remuneration report *continued*

## 4. EXECUTIVE REMUNERATION FRAMEWORK CONTINUED

### 4.5 Long-term variable reward (LTVR)

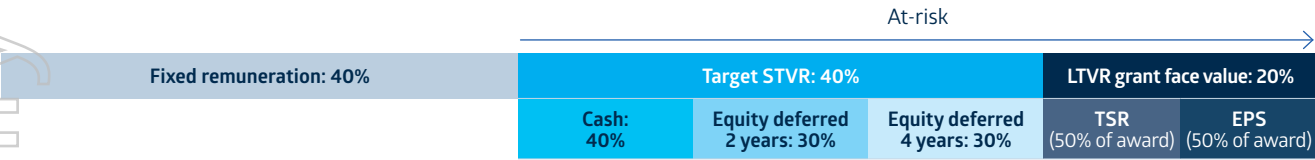
Key features of the LTVR Plan are summarised below. The Plan rules were last updated in July 2018.

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |                                                                                                                                                                                                                                      |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>                                      | Encourage performance that creates long-term value for shareholders. The combination of relative TSR and underlying EPS hurdles provides balance to the Plan by measuring performance on both a relative and absolute basis.<br>Relative: rewards participating Executives for Group performance that exceeds that of peer companies.<br>Absolute: ensures there is a continued focus on providing positive growth, a core measure of value created.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |                                                                                                                                                                                                                                      |
| <b>Performance</b>                                  | Participation is currently limited to the CEO. LTVR rewards the achievement of Group financial results. Other Executives are rewarded for the achievement of our long-term strategy by the execution of the Vision, Strategy and Execution goals. Their reward is aligned to the shareholder experience through the deferral of the majority of their STVR into restricted shares, for between two and four years.<br>The face value of the maximum potential LTVR award for the CEO is 50% of their fixed remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                                                                                                                                                                                                                                      |
| <b>Performance measures</b>                         | Relative performance measure:<br>Relative total shareholder return (50%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                | Absolute performance measure:<br>Underlying earnings per share growth (50%)                                                                                                                                                          |
|                                                     | Relative TSR is measured over a four-year period against a peer group determined by the Board at the time of the offer. Currently, it is based on the ASX 100, excluding property trusts.<br><br>The peer group may change as a result of specific events such as mergers and acquisitions or de-listings. The Plan rules determine the adjustments of the peer group following such events.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                | Underlying EPS performance is measured over a four-year period using the most recent financial year-end prior to the granting of the award as the base year, and the final financial year in the performance period as the end-year. |
| <b>Vesting schedule</b>                             | <b>Performance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Vesting</b> | <b>Performance p.a.</b>                                                                                                                                                                                                              |
|                                                     | Less than 51st percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0%             | Less than 5.1%                                                                                                                                                                                                                       |
|                                                     | 51st percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 25%            | 5.1%                                                                                                                                                                                                                                 |
|                                                     | Greater than 76th percentile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 100%           | Greater than 10%                                                                                                                                                                                                                     |
|                                                     | Vesting occurs in a straight line between the 51st and 76th percentile.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                | Vesting occurs in a straight line between 5.1% and 10%.                                                                                                                                                                              |
| <b>Calculation</b>                                  | The TSR of ASX and the peer group is calculated as the movement in share price and dividends received, assuming the reinvestment of dividends.<br><br>The TSR is calculated over a four-year period, using the three-month volume weighted average price up to (and including) the start date, and the three-month volume weighted average price including the reinvestment of dividends up to (and including) the end date of the performance period.<br><br>Underlying EPS is calculated by dividing the underlying profit after tax for the relevant reporting period (profit after tax adjusted for the after tax effect of any significant items) by the weighted average number of ordinary shares of ASX. This is then compared to the starting EPS, calculated in a similar fashion to determine the EPS performance.<br>To arrive at underlying profit after tax, significant items may be excluded. These items are determined by the Board and may include revenues and expenses associated with specific events or the results of corporate actions. Exclusion of these items would be clearly identified and explained if such action impacted any vesting outcome. |                |                                                                                                                                                                                                                                      |
| <b>Performance period</b>                           | Four years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                |                                                                                                                                                                                                                                      |
| <b>Instrument</b>                                   | Performance rights over ASX ordinary shares. For grants made from FY19 onwards, the Board may, at its discretion, elect to settle vested LTVR allocations with a cash equivalent payment. The value of the cash payment will be determined based on the number of rights that have vested, multiplied by the volume weighted average price over the 20 trading days prior to the vesting date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                                                                                                                                                                                                                                      |
| <b>Determining the number of performance rights</b> | The number of performance rights allocated is based on the volume weighted average price of ASX shares on the 10 business days preceding the grant date (face value).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                                                                                                                                                                                                                                      |
| <b>Expiry</b>                                       | The expiry date is the date of the end of the performance period. At this point any performance rights that have not vested will lapse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |                                                                                                                                                                                                                                      |
| <b>Dividends</b>                                    | Dividends are not paid on performance rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                |                                                                                                                                                                                                                                      |
| <b>Retesting</b>                                    | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                |                                                                                                                                                                                                                                      |
| <b>Treatment upon departure</b>                     | If an Executive ceases employment for a qualifying reason, any performance rights may remain on foot in accordance with their original terms, except that any service condition will be waived. The Board retains a discretion to determine whether performance rights that remain on foot subsequently vest or lapse. A qualifying reason includes death, permanent disability, mutual agreement with ASX, termination by ASX on notice, redundancy, retirement, or other circumstances determined by the Board. Unless the Board determines otherwise, performance rights will lapse if an Executive's employment is terminated for cause, poor performance, or if the Executive resigns.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                                                                                                                                                                                                                                      |

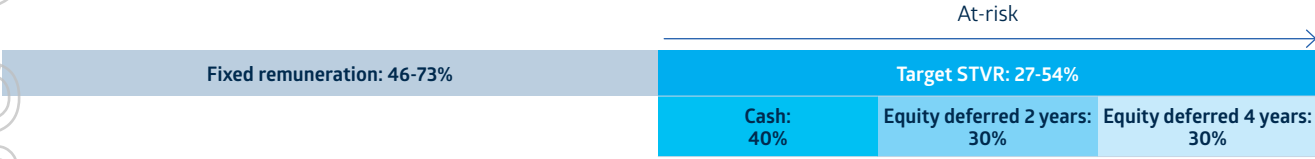
4. EXECUTIVE REMUNERATION FRAMEWORK CONTINUED

4.6 Executive remuneration mix

Executive remuneration is aligned to the executive remuneration principles set out in section 4.1. All Executives receive fixed remuneration and STVR. In addition, the CEO receives an LTVR component. The chart below sets out the remuneration structure and mix for the CEO.

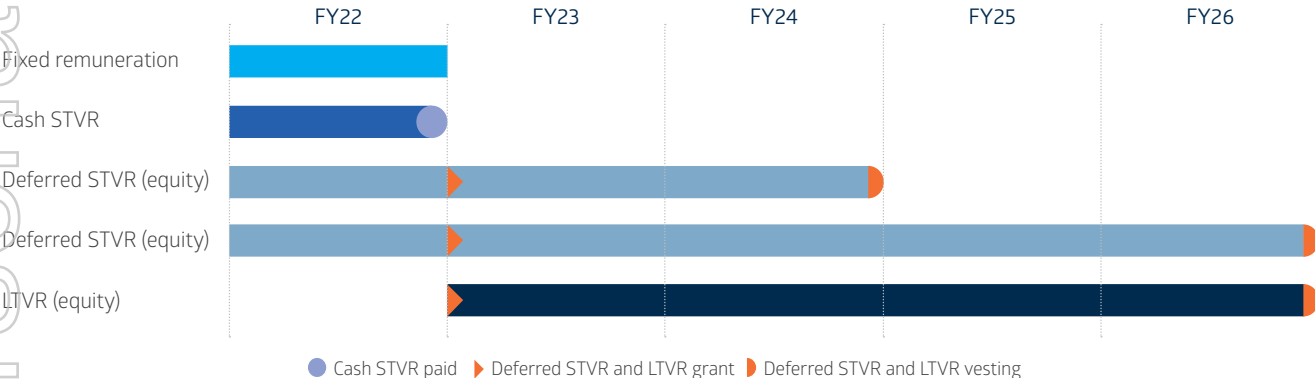


The chart below sets out the remuneration structure and mix for Executives other than the CEO. These Executives comprise the CFO, CRO, GE Securities and Payments, and GE Markets.



4.7 Executive remuneration delivery

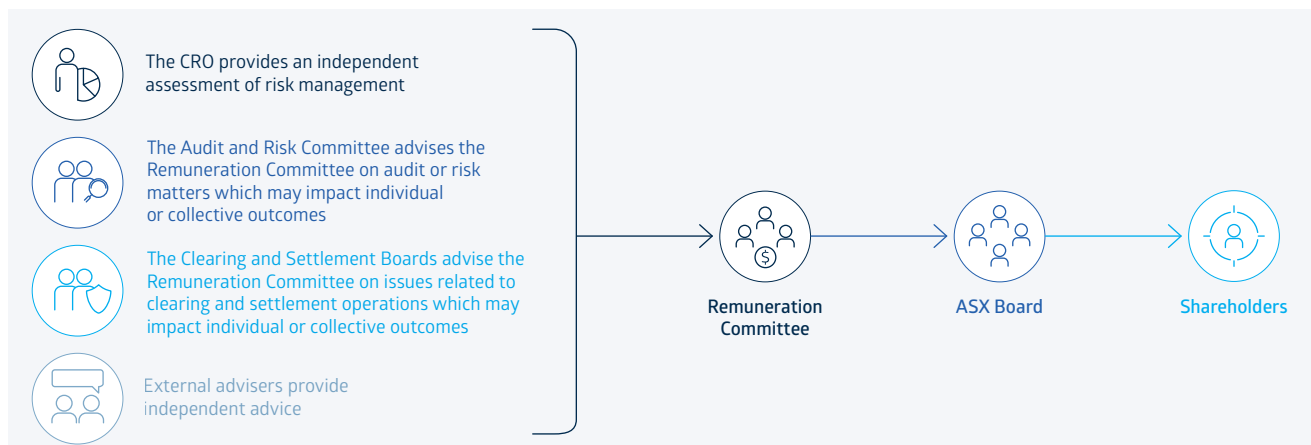
The chart below sets out the periods for awarding remuneration to the CEO. Other Executives are not eligible to receive the LTVR. For all Executives, a significant portion of their potential remuneration is deferred between two and four years from the end of the current performance year.



# Remuneration report continued

## 5. REMUNERATION GOVERNANCE

The diagram below provides an overview of governance arrangements relating to remuneration.



### 5.1 Role of the ASX Board

The Board oversees and approves the non-executive director remuneration and Executive remuneration arrangements. The Board has established a Remuneration Committee for recommending remuneration policy for the Group. The ultimate responsibility for remuneration policy matters rests with the Board.

### 5.2 Role and responsibilities of the Remuneration Committee

The Remuneration Committee develops the remuneration principles, framework and policies for the Group. The Remuneration Committee's responsibilities are outlined below.

Recommend to the Board:

- remuneration arrangements and all reward outcomes for Executives
- performance against goals and targets for Executives, incorporating an evaluation of risk management performance
- remuneration for Executive appointments and retention matters
- ASX's remuneration and variable reward framework, including STVR and LTVR arrangements and participation
- non-executive director fees.

Conduct reviews of:

- ongoing monitoring of the effectiveness of the remuneration policy in supporting ASX's values while complying with regulatory requirements
- Executive succession and key staff succession plans
- progress against gender diversity objectives and the active promotion of a collaborative and inclusive culture
- capabilities required to deliver the organisation's strategy.

## 5. REMUNERATION GOVERNANCE CONTINUED

### 5.3 Ensuring appropriate remuneration outcomes

The Board understands to make good remuneration decisions it needs both a robust framework and to proactively and consistently exercise judgement. The Board takes into account information from a range of sources. This ensures that decisions are well-informed and consider the outcomes achieved for the Group's stakeholders. The Board has an established process to seek performance feedback from the Audit and Risk Committee and the Clearing and Settlement Boards, risk management feedback from the CRO and other control functions. Using this information, the Board evaluates remuneration outcomes against an agreed set of remuneration principles and relevant precedents. Executives are not able to participate in discussions impacting their own remuneration. This promotes independence, objectivity, fairness and consistency in the process of determining remuneration outcomes.

The Board is making further enhancements to the governance of remuneration outcomes for FY23 by implementing an accountability framework. This applies to all ASX's Accountable Persons, comprising the Executive Committee and the General Manager, Internal Audit. The framework will ensure Accountable Persons are rewarded for delivering sustainable outcomes, and that there are consequences in the event of serious risk issues or misconduct. The Board considers accountabilities in the following two ways.

#### *Reasonable steps are taken to manage accountabilities*

Each Accountable Person will be assessed against their agreed accountabilities and the steps outlined to reasonably manage these. We believe timely and regular assessment will reduce the risk of a material adverse outcome occurring. This assessment will be built into the annual performance and reward cycle. To support a positive risk culture, we look to reward where people have role modelled positive behaviours, as well as provide downward adjustments where expectations have not been met.

#### *Remuneration outcomes are appropriate where there is a material adverse outcome*

In the event of a material adverse outcome, the accountability framework will assist the Board in determining appropriate remuneration outcomes. The framework guides decision-making by considering who was accountable, the impact the event had on the organisation and our stakeholders, and what reasonable steps the Accountable Person may have taken to mitigate this outcome. A detailed framework supports this assessment to make sure remuneration adjustments are proportionate, consistent and appropriate. Where an adjustment to variable remuneration is required, this may be to that year's STVR, or made to deferred remuneration previously awarded.

### 5.4 Clawback Policy

The Board retains the discretion to adjust performance-based remuneration that has not yet been realised or vested without restrictions, for any employee or group of employees within the ASX Group, if it considers that such remuneration would be an inappropriate benefit.

The Board has absolute discretion to determine what constitutes an inappropriate benefit. Examples may include:

- mismanagement of material risk issues for the Group
- fraudulent or dishonest behaviour, or acting in a manner that brings ASX into disrepute
- a material misstatement or omission in ASX's financial statements
- a breach of obligations to ASX
- any other circumstances which the Board determines in good faith to have resulted in an inappropriate benefit.

### 5.5 External advice

When an external perspective is needed, the Remuneration Committee may seek professional assistance from remuneration advisers.

Remuneration advisers are engaged by the Committee independently of management. The Remuneration Committee engaged Guerdon Associates to provide information related to market benchmarking and the performance framework. This information did not comprise remuneration recommendations as defined by the *Corporations Act 2001*.

### 5.6 Engagement with external stakeholders

Each year, the ASX Chair meets with investors and proxy advisers. These meetings provide an opportunity to discuss remuneration practices and policies, and any issues raised by an investor or proxy adviser.

### 5.7 Share ownership

Share ownership is encouraged among Executives and non-executive directors to strengthen the alignment between their interests and the interests of shareholders. Executives are expected to hold a number of ASX shares equivalent in value to their fixed remuneration. Executives have five years to accumulate the shares, as outlined in the following table:

| Role             | Value of shareholding (% of fixed remuneration) |
|------------------|-------------------------------------------------|
| CEO              | 100%                                            |
| CRO              | 50%                                             |
| Other Executives | 100%                                            |

All eligible Executives currently hold a number of shares at or in excess of this level. It is expected that all ASX non-executive directors hold a number of ASX shares equivalent in value to their base annual director fee (and in the case of the ASX Chair, the base annual director fee plus the Chair fee), by the third anniversary of their appointment. All eligible non-executive directors currently hold a number of shares at or in excess of this level.

# Remuneration report continued

## 6. STATUTORY REMUNERATION DISCLOSURE – EXECUTIVES

### 6.1 Statutory remuneration

The remuneration table below has been prepared in accordance with accounting standards as required by the *Corporations Act 2001*.

The accounting standards require the disclosure of the expense or cost to the Group in the financial years presented, which may result in only a portion of cash remuneration being disclosed where payments are deferred to future financial years. In addition, the accounting standards require the share-based payments expense to be calculated using the grant date fair value of the shares, rather than current market prices.

|                            | Year | Short-term          |                   |                           |                    | Termination benefits <sup>5</sup> | Long-term                               |                             | Share-based payments   |                        |                                          | Total      | Performance-related <sup>11</sup> |
|----------------------------|------|---------------------|-------------------|---------------------------|--------------------|-----------------------------------|-----------------------------------------|-----------------------------|------------------------|------------------------|------------------------------------------|------------|-----------------------------------|
|                            |      | Salary <sup>1</sup> | STVR <sup>2</sup> | Non-monetary <sup>3</sup> | Other <sup>4</sup> |                                   | Long service leave accrual <sup>6</sup> | Superannuation <sup>7</sup> | STVR Plan <sup>8</sup> | LTVR Plan <sup>9</sup> | Other share-based payments <sup>10</sup> |            |                                   |
| Current                    |      |                     |                   |                           |                    |                                   |                                         |                             |                        |                        |                                          |            |                                   |
| D J Stevens <sup>12</sup>  | 2022 | 1,957,788           | 480,000           | 18,644                    | (119,699)          | —                                 | 20,085                                  | 23,568                      | 2,772,577              | 343,958                | —                                        | 5,496,921  | 65%                               |
| CEO                        | 2021 | 1,967,508           | 640,000           | 10,797                    | 70,372             | —                                 | 35,013                                  | 21,694                      | 1,234,284              | 460,545                | —                                        | 4,440,213  | 53%                               |
| T J Hogben <sup>13</sup>   | 2022 | 776,432             | 240,000           | —                         | 23,719             | —                                 | 38,561                                  | 23,568                      | 334,522                | —                      | —                                        | 1,436,802  | 40%                               |
| GE Securities and Payments | 2021 | 240,714             | 75,190            | 33                        | 5,660              | —                                 | 11,402                                  | 7,426                       | 104,680                | —                      | —                                        | 445,105    | 40%                               |
| G L Larkins <sup>12</sup>  | 2022 | 776,432             | 336,000           | —                         | 4,914              | —                                 | 4,108                                   | 23,568                      | 1,118,354              | —                      | —                                        | 2,263,376  | 64%                               |
| CFO                        | 2021 | 778,306             | 256,000           | —                         | 22,828             | —                                 | 6,643                                   | 21,694                      | 306,863                | —                      | 50,811                                   | 1,443,145  | 39%                               |
| H M Lofthouse              | 2022 | 801,432             | 380,000           | —                         | (5,778)            | —                                 | 12,596                                  | 23,568                      | 511,879                | -                      | 25,000                                   | 1,748,697  | 51%                               |
| GE Markets                 |      |                     |                   |                           |                    |                                   |                                         |                             |                        |                        |                                          |            |                                   |
| H J Treleaven              | 2022 | 897,788             | 126,000           | 18,644                    | 38,072             | —                                 | 10,915                                  | 23,568                      | 181,787                | —                      | —                                        | 1,296,774  | 24%                               |
| CRO                        | 2021 | 841,974             | 96,000            | 11,332                    | (4,636)            | —                                 | 14,743                                  | 21,694                      | 180,876                | —                      | —                                        | 1,161,983  | 24%                               |
| Former                     |      |                     |                   |                           |                    |                                   |                                         |                             |                        |                        |                                          |            |                                   |
| P D Hiom <sup>14</sup>     | 2021 | 971,198             | 400,000           | 10,863                    | (39,261)           | 385,410                           | 16,128                                  | 22,349                      | 1,202,635              | 738,761                | —                                        | 3,708,083  | 63%                               |
| Deputy CEO                 |      |                     |                   |                           |                    |                                   |                                         |                             |                        |                        |                                          |            |                                   |
| Total                      | 2022 | 5,209,872           | 1,562,000         | 37,288                    | (58,772)           | —                                 | 86,265                                  | 117,840                     | 4,919,119              | 343,958                | 25,000                                   | 12,242,570 | 56%                               |
|                            | 2021 | 4,799,700           | 1,467,190         | 33,025                    | 54,963             | 385,410                           | 83,929                                  | 94,857                      | 3,029,338              | 1,199,306              | 50,811                                   | 11,198,529 | 51%                               |

1. Base salary excluding payments made under the compulsory superannuation guarantee.

2. The cash component of the STVR earned over FY22, paid in cash in August 2022.

3. Salary-sacrificed items paid over the year including car parking (and associated fringe benefits tax) and participation in the Employee Share Plan.

4. The value of annual leave accrued over the year and salary continuance insurance provided by the Group.

5. Termination benefits consist of a payment for Mr Hiom in lieu of notice, applicable under his employment contract.

6. Long service leave accrued over the year.

7. Post-employment benefits, comprising the compulsory superannuation guarantee.

8. Annual share-based payments expense for restricted shares issued under the deferred STVR Plan.

9. Annual share-based payments expense for performance rights issued under the LTVR Plan. The expense is calculated using the fair value of performance rights as at the grant date, less any write-back for performance rights lapsed as a result of non-market hurdles deemed to not vest in future. The LTVR may be either equity or cash settled as determined by the Board.

10. A grant of 561 shares restricted for two years was made to Helen Lofthouse on 4 September 2020, with a volume weighted average price of \$89.20. The 2021 value comprises the remaining amortised value of 11,604 restricted shares granted to Gillian Larkins on 15 February 2019, with a volume weighted average price of \$58.38. The restriction on 40% of this allocation of shares lifted on 1 September 2019 and the restriction on the remaining 60% lifted on 1 September 2020.

11. Reflects the percentage of total remuneration that is performance-related (short-term cash settled STVR and shared-based payments relating to the STVR and LTVR Plans).

12. The deferred STVR and LTVR expense recognised for Mr Stevens and deferred STVR expense for Ms Larkins recognises the accelerated accounting charge of the fair value of the equities awarded, up to the date that they will cease as KMP in FY23. The amounts accelerated for Mr Stevens in FY22 were: \$1,025,390 (LTVR) and \$2,068,954 (STVR). The amount accelerated for Ms Larkins in FY22 was \$731,495 (STVR).

13. The fixed remuneration, other remuneration and STVR awarded shown for Tim Hogben in 2021 is pro-rated based on his service in a KMP role up to 2 November 2020. The value of deferred STVR vested is the full value of awards that vested in that financial year. Between 3 November 2020 and 30 June 2021, Mr Hogben performed a role which was not deemed a KMP. Effective 1 July 2021, Mr Hogben assumed the role of GE Securities and Payments, and is considered a KMP.

14. Peter Hiom ceased employment on 1 July 2021. All remuneration earned between 1 July 2020 and Mr Hiom's cessation date of 1 July 2021 was fully disclosed within the FY21 Remuneration Report. The value of deferred STVR and LTVR displayed for FY21 recognises all outstanding expenses up to the end of the performance period. These awards may vest in future subject to the requirements of the Plan rules and ASX's Clawback Policy. Termination benefits did not exceed the threshold requiring shareholder approval under the *Corporations Act 2001*.

## 6. STATUTORY REMUNERATION DISCLOSURE – EXECUTIVES CONTINUED

### 6.2 Current LTVR grants

Shares relating to grants of performance rights that have vested are allocated from a trust established to hold shares for this purpose. The table below sets out a summary of the LTVR grants that were in operation during FY22.

| Grant year                                             | 2021                                   | 2020                                | 2019                                   | 2018                             |
|--------------------------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|----------------------------------|
| Grant date                                             | 29 September 2021                      | 30 September 2020                   | 24 September 2019                      | 4 October 2018                   |
| Performance period                                     | 30 September 2021 to 29 September 2025 | 1 October 2020 to 30 September 2024 | 25 September 2019 to 24 September 2023 | 5 October 2018 to 4 October 2022 |
| Vesting date                                           | 29 September 2025                      | 30 September 2024                   | 24 September 2023                      | 4 October 2022                   |
| Vesting period                                         | 4 years                                | 4 years                             | 4 years                                | 4 years                          |
| Participation                                          | 1                                      | 2                                   | 2                                      | 2                                |
| Performance rights awarded                             | CEO 11,960                             | CEO 12,091                          | CEO 12,281                             | CEO 15,843                       |
| Performance measure                                    | 50% EPS and 50% TSR                    | 50% EPS and 50% TSR                 | 50% EPS and 50% TSR                    | 50% EPS and 50% TSR              |
| EPS vesting commences at                               | 5.1% compound growth                   | 5.1% compound growth                | 5.1% compound growth                   | 5.1% compound growth             |
| TSR vesting commences at                               | 51st percentile                        | 51st percentile                     | 51st percentile                        | 51st percentile                  |
| Dividends paid                                         | No                                     | No                                  | No                                     | No                               |
| Retesting                                              | No                                     | No                                  | No                                     | No                               |
| Exercise price                                         | Nil                                    | Nil                                 | Nil                                    | Nil                              |
| Share price at grant date                              | \$80.89                                | \$81.02                             | \$81.61                                | \$62.01                          |
| Volatility p.a.                                        | 22%                                    | 22%                                 | 15%                                    | 16%                              |
| Discount rate (risk free rate) p.a.                    | 0.5%                                   | 0.25%                               | 0.72%                                  | 2.2%                             |
| Dividend yield p.a.                                    | 2.9%                                   | 2.9%                                | 3.2%                                   | 3.7%                             |
| Fair value of performance rights (EPS awards)          | \$72.03                                | \$72.15                             | \$71.80                                | \$53.48                          |
| Fair value of performance rights (TSR awards)          | \$42.22                                | \$39.65                             | \$29.83                                | \$24.34                          |
| Weighted average AASB 2 share-based payment fair value | \$57.13                                | \$55.90                             | \$50.82                                | \$38.91                          |

### 6.3 FY22 Executive LTVR allocations

The following table shows the movement during the financial year in the number of performance-related rights over issued ordinary shares in ASX held directly, indirectly or beneficially by the Executives, including their personally related parties.

|                            | Held as at<br>1 July 2021 | Granted as<br>compensation<br>during the year | Vested<br>during the<br>year | Lapsed<br>during the<br>year <sup>1</sup> | Held at<br>30 June 2022 |
|----------------------------|---------------------------|-----------------------------------------------|------------------------------|-------------------------------------------|-------------------------|
| <b>Current<sup>2</sup></b> |                           |                                               |                              |                                           |                         |
| D J Stevens                | 59,190                    | 11,960                                        | (7,182)                      | (11,793)                                  | 52,175                  |

<sup>1</sup> Lapsed rights relate to the LTVR grant made in 2017.

<sup>2</sup> Peter Hiom held 29,596 performance-related rights over issued ordinary shares at the date he ceased as a KMP on 1 July 2021. No other KMP had performance-related rights over issued ordinary shares in ASX directly, indirectly or beneficially.

### 6.4 Potential future value of LTVR allocations for CEO

The following table shows the minimum and maximum values of performance rights that may be received by the CEO as remuneration in future financial years.

| Grant date:    | 4 October 2018      | 24 September 2019   | 30 September 2020   | 29 September 2021   |
|----------------|---------------------|---------------------|---------------------|---------------------|
| Vesting date:  | 4 October 2022      | 24 September 2023   | 30 September 2024   | 29 September 2025   |
|                | Min \$ <sup>1</sup> | Max \$ <sup>2</sup> | Min \$ <sup>1</sup> | Max \$ <sup>2</sup> |
| <b>Current</b> |                     |                     |                     |                     |
| D J Stevens    | —                   | 616,451             | —                   | 624,120             |
|                |                     |                     | 675,887             | —                   |
|                |                     |                     |                     | 683,275             |

<sup>1</sup> Since the performance rights are issued with a zero exercise price, their minimum total value is nil, on the basis that they will not vest if the applicable performance/vesting conditions are not met.

<sup>2</sup> The amounts represent the maximum fair value for future years of the performance rights yet to vest, as at their grant date. The maximum total value is the number of rights issued multiplied by the weighted average fair value.

# Remuneration report *continued*

## 6. STATUTORY REMUNERATION DISCLOSURE – EXECUTIVES *CONTINUED*

### 6.5 Beneficial holdings of ordinary shares

|                            | Held at<br>1 July 2021 | Received on<br>vesting of rights<br>over deferred shares | STVR Plan | Other changes | Held at<br>30 June 2022 |
|----------------------------|------------------------|----------------------------------------------------------|-----------|---------------|-------------------------|
| <b>Current<sup>1</sup></b> |                        |                                                          |           |               |                         |
| D J Stevens                | 69,412                 | 7,182                                                    | 10,988    | (10,988)      | 76,594                  |
| T J Hogben                 | 11,837                 | —                                                        | 3,786     | (4,069)       | 11,554                  |
| G L Larkins                | 9,349                  | —                                                        | 4,396     | (1,984)       | 11,761                  |
| H M Lofthouse              | 33,211                 | —                                                        | 5,768     | (7,207)       | 31,772                  |
| H J Treleaven              | 8,583                  | —                                                        | 1,648     | 12            | 10,243                  |

1. Peter Hiom ceased as a KMP on 1 July 2021. His holdings of ordinary shares at this time was 45,650.

### 6.6 Current KMP service agreements

Minimum notice periods (months)

| Name          | Position held              | Contract effective date <sup>1</sup> | Executive | ASX | Poor<br>performance |
|---------------|----------------------------|--------------------------------------|-----------|-----|---------------------|
| D J Stevens   | CEO                        | 1 August 2016                        | 6         | 12  | 3 <sup>2</sup>      |
| T J Hogben    | GE Securities and Payments | 1 July 2021                          | 6         | 12  | 3 <sup>2</sup>      |
| G L Larkins   | CFO                        | 29 October 2018                      | 6         | 12  | 3 <sup>2</sup>      |
| H M Lofthouse | GE Markets                 | 1 July 2021                          | 6         | 12  | 3 <sup>2</sup>      |
| H J Treleaven | CRO                        | 1 March 2017                         | 6         | 12  | 3 <sup>2</sup>      |

1. All Executives have permanent ongoing contracts. Amounts payable on termination include the contractual notice period and any rewards that may be payable under the terms of the STVR and LTVR Plans, which are outlined in sections 4.4 and 4.5.

2. The notice period for termination for poor performance requires an initial written notice of one month.

### 6.7 Entitlements for leaving Executives

Dominic Stevens ceased as CEO on 31 July 2022 and will retire from ASX on 30 September 2022. Upon retirement, Mr Stevens will receive contractual entitlements and benefits which are applied in the usual operation of ASX's incentive plans in circumstances of retirement, being:

- a cash payment equivalent to two months' fixed remuneration, being the balance of six months' notice less the period Mr Stevens has worked
- payment of statutory accrued annual leave and long service leave entitlements
- unvested deferred STVR held at the time of retirement will be retained and the restriction period will be lifted in accordance with Mr Stevens' contract of employment. Mr Stevens will not be eligible for any STVR for the FY23 performance year
- unvested LTVR held at the time of retirement will be retained with any vesting subject to the original performance and vesting conditions in accordance with the terms of the LTVR plan, and remain subject to ASX's Clawback Policy. No LTVR will be provided to Mr Stevens in 2022.

The 'termination benefits' as defined under s200B of the *Corporations Act 2001* (Cth) did not exceed the threshold required for ASX to seek shareholder approval.

### 6.8 FY23 CEO remuneration arrangements

Helen Lofthouse will commence as CEO on 1 August 2022. Ms Lofthouse's remuneration was announced to the market on 2 June 2022 and comprises a mix of 40% fixed remuneration, 40% STVR and 20% LTVR as outlined below:

| Component         | Amount                                                                                                                                                                                                                       |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fixed             | \$2,000,000                                                                                                                                                                                                                  |
| STVR              | \$2,000,000 (at target)<br>Maximum is 150% of target <ul style="list-style-type: none"> <li>– 40% paid in cash</li> <li>– 30% deferred in equity over two years</li> <li>– 30% deferred in equity over four years</li> </ul> |
| LTVR              | \$1,000,000 (face value)<br>Performance rights under the terms of the ASX LTVR Plan outlined in section 4.5                                                                                                                  |
| Total (at target) | \$5,000,000                                                                                                                                                                                                                  |

## 6. STATUTORY REMUNERATION DISCLOSURE – EXECUTIVES CONTINUED

Ms Lofthouse's CEO remuneration is consistent with ASX's executive remuneration policy outlined in this report. Sixty percent of her overall remuneration is at-risk. Over 70% of this at-risk remuneration will be deferred into either equity (STVR) or performance rights (LTVR). Ms Lofthouse's grant of LTVR will be submitted for shareholder approval at the 2022 AGM.

The Board consider that Ms Lofthouse's remuneration package is reasonable and appropriate having regard to Ms Lofthouse's responsibilities as CEO.

### 6.9 Loans and other transactions

No transactions or loans involving non-executive directors or Executives, their close family members or entities they control or have significant influence over, were made during the year (FY21: nil).

## 7. NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS

Non-executive directors receive fees for their contribution on the boards and associated committees on which they serve. The Remuneration Committee reviews and recommends to the Board the fees provided to non-executive directors.

Non-executive director fees are set to ensure:

- ASX non-executive directors are remunerated fairly for their services, recognising the workload and level of skill and experience required for the role
- ASX can attract and retain talented non-executive directors.

### 7.1 Remuneration structure

Under the non-executive director fee structure, remuneration comprises one base fee (plus superannuation) in respect of a non-executive director appointment to the ASX Limited Board and any committee and/or its subsidiaries. An additional amount is paid to the chair of the ASX Limited Board or a committee or subsidiary board.

The aggregate amount paid to non-executive directors is approved by shareholders at the AGM. The maximum aggregate amount for FY22 that may be paid to all ASX non-executive directors in their capacity as members of the ASX Limited Board and its committees, and as non-executive directors of subsidiary boards, is \$3 million per annum. This was approved by shareholders at the 2017 AGM. The amount paid in FY22 was \$2.57 million. Non-executive directors of independent subsidiary boards who do not serve on the ASX Limited Board are not included in the fee pool.

Non-executive directors have no entitlement to any performance-based remuneration or participation in any share-based reward schemes. ASX does not have a non-executive director retirement scheme.

### 7.2 Non-executive director fee schedule

The following table summarises the fees received for each role on the Board.

| Board/Committee                   | Role   | Fees excluding superannuation |            |
|-----------------------------------|--------|-------------------------------|------------|
|                                   |        | 2022<br>\$                    | 2021<br>\$ |
| Board <sup>1</sup>                | Chair  | 550,000                       | 550,000    |
|                                   | Member | 235,000                       | 235,000    |
| Audit and Risk Committee          | Chair  | 45,000                        | 45,000     |
| Remuneration Committee            | Chair  | 20,000                        | 20,000     |
| Technology Committee <sup>2</sup> | Chair  | 40,000                        | —          |
| ASX Clear (Futures)               | Chair  | 35,000                        | 35,000     |
| Austraclear                       | Chair  | 20,000                        | 20,000     |

1. ASX Limited Board fees include payment for membership of ASX Limited Board committees and Clearing and Settlement Boards.

2. The Technology Committee commenced on 1 May 2022.

# Remuneration report continued

## 7. NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS CONTINUED

### 7.3 Director fees for FY21 and FY22

The following table sets out the statutory remuneration details for non-executive directors for FY21 and FY22.

|                         | Year | Short-term salary and fees | Post-employment superannuation | Total     |
|-------------------------|------|----------------------------|--------------------------------|-----------|
| <b>Current</b>          |      |                            |                                |           |
| D Roche                 | 2022 | 567,692                    | 23,568                         | 591,261   |
|                         | 2021 | 327,692                    | 21,694                         | 349,387   |
| Y A Allen               | 2022 | 235,000                    | 23,517                         | 258,517   |
|                         | 2021 | 235,000                    | 21,694                         | 256,694   |
| M B Conrad              | 2022 | 235,000                    | 23,517                         | 258,517   |
|                         | 2021 | 235,000                    | 21,694                         | 256,694   |
| D T Curran <sup>1</sup> | 2022 | 64,904                     | 5,892                          | 70,796    |
| K R Henry               | 2022 | 235,000                    | 23,517                         | 258,517   |
|                         | 2021 | 235,000                    | 21,694                         | 256,694   |
| P R Marriott            | 2022 | 240,966                    | 23,517                         | 264,483   |
|                         | 2021 | 280,000                    | 21,694                         | 301,694   |
| P S Nash                | 2022 | 291,710                    | 5,892                          | 297,602   |
|                         | 2021 | 235,000                    | 21,694                         | 256,694   |
| H M Ridout              | 2022 | 255,000                    | 23,568                         | 278,568   |
|                         | 2021 | 255,000                    | 21,694                         | 276,694   |
| H J Smith <sup>1</sup>  | 2022 | 1,808                      | 181                            | 1,988     |
| R J Woods               | 2022 | 265,962                    | 23,568                         | 289,530   |
|                         | 2021 | 241,731                    | 21,694                         | 263,425   |
| Total                   | 2022 | 2,375,365                  | 194,414                        | 2,569,779 |
|                         | 2021 | 2,044,423                  | 173,555                        | 2,217,978 |

1. Fees disclosed for David Curran and Heather Smith reflect the period from their commencement.

### 7.4 Equity holdings

The table below sets out current equity holdings for non-executive directors.

|                         | Held as at 1 July 2021 | Other changes | Held at 30 June 2022 |
|-------------------------|------------------------|---------------|----------------------|
| <b>Current</b>          |                        |               |                      |
| D Roche                 | 14,000                 | —             | 14,000               |
| Y A Allen               | 5,000                  | —             | 5,000                |
| M B Conrad              | 5,000                  | —             | 5,000                |
| D T Curran <sup>1</sup> | —                      | —             | —                    |
| K R Henry               | 5,000                  | —             | 5,000                |
| P R Marriott            | 5,316                  | —             | 5,316                |
| P S Nash                | 3,000                  | —             | 3,000                |
| H M Ridout              | 5,000                  | —             | 5,000                |
| H J Smith <sup>1</sup>  | —                      | —             | —                    |
| R J Woods               | 3,000                  | —             | 3,000                |

1. The opening balances for David Curran and Heather Smith are reported as at their commencement date.

# Directors' report

The directors present their report, which includes the Remuneration Report, together with the financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the year ended 30 June 2022 (FY22) and the auditor's report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the ASX Audit and Risk Committee.

The FY22 consolidated net profit after tax attributable to the owners of ASX was \$508.5 million (2021: \$480.9 million).

## DIRECTORS

The directors of ASX in office during the financial year and at the date of this report (unless otherwise stated) were as follows:

- Damian Roche
- Helen Lofthouse  
(appointed as Managing Director and CEO, 1 August 2022)
- Dominic Stevens  
(retired as Managing Director and CEO, 31 July 2022)
- Yasmin Allen
- Melinda Conrad
- David Curran (appointed 21 March 2022)
- Ken Henry AC
- Peter Marriott
- Peter Nash
- Heather Ridout AO
- Heather Smith PSM (appointed 29 June 2022)
- Rob Woods.

Directors' meetings and attendance at those meetings for FY22 (including meetings of committees of directors) are disclosed on page 38. The qualifications and experience of directors, including current and recent directorships, are detailed on pages 33 to 35.

## COMPANY SECRETARY

### DANIEL MORAN

*Group General Counsel and Company Secretary,  
BA (UTS) LLB (UNSW)*

Daniel Moran is Group General Counsel and Company Secretary. Mr Moran joined ASX as Deputy General Counsel in 2010. Prior to that he was a Senior Associate with the Australian law firm Herbert Smith Freehills. Since joining ASX he has worked across ASX's businesses and engaged closely with ASX's boards and committees as a lawyer and company secretary.

## REPORT ON THE BUSINESS

### Principal activities

During the year the principal activities of the Group consisted of providing:

- securities exchange and ancillary services
- derivatives exchange and ancillary services
- central counterparty clearing services
- registry, depository, settlement and delivery-versus-payment clearing of financial products
- technical and information services.

### Review of operations

Information on the operations and financial position of the Group, and its business strategies and prospects, is disclosed in the Operating and Financial Review on pages 12 to 23.

### Operating model refresh

The Group reorganised its structure to better reflect its strategic priorities, enhance management responsibility and accountability, and sharpen its focus on customers. This resulted in four clearly defined revenue generating business units reporting directly to the Managing Director and CEO. They are:

- **Listings business** – responsible for the origination of listed primary and secondary equity, and investment products
- **Markets business** – responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing
- **Securities and Payments business** – responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHES replacement project
- **Technology and Data business** – responsible for technology, connectivity and data-related businesses, including technical and information services, DataSphere and DLT Solutions.

This new structure is reflected in this year's financial statements and the prior comparative period (pcp) revenue classification has been restated. Total revenue in the comparative period remains unchanged. Refer to note B1 of the Consolidated Financial Statements for further details.

### CHES replacement update

An update of the CHES replacement project was announced on 3 August 2022, indicating go-live on the project is not expected to be before late 2024.

### Dividends

Information relating to dividends for the current and prior financial year, including dividends determined by the Board since the end of the financial year, is disclosed in note B4 of the financial statements on page 86.

### Significant changes in the state of affairs

There were no significant changes to the Group's state of affairs during the year.

### Events subsequent to balance date

Other than the final dividend determined as disclosed in note B4, there have been no matters or circumstances that have arisen which have significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group from the end of the period to the date of this report.

# Directors' report continued

## Likely developments

For further information about likely developments in the operations of the Group, refer to the Operating and Financial Review on pages 12 to 23. The expected results from those operations in future financial years have not been included because they depend on factors such as general economic conditions, the risks outlined and the success of ASX's strategies, some of which are outside the control of the Group.

## Environmental regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Federal, State or Territory law.

## Indemnification and insurance of officers

The Group has paid insurance premiums for directors' and officers' liability for current and former directors and officers of the Company, its subsidiaries and related entities.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The Constitution of ASX provides that every person who is or has been a director, secretary or executive officer of the Company, and each other officer or former officer of the Company (or of its related bodies corporate as the directors in each case determine), is indemnified by the Company to the maximum extent permitted by law. The indemnity covers losses or liabilities incurred by the person as a director or officer, including but not limited to liability for negligence and for legal costs on a full indemnity basis.

## Performance rights over issued shares

At the date of this report, ASX had 72,283 performance rights outstanding (2021: 88,786). For further details on the performance rights for vesting, refer to note F6 in the Notes to the Financial Statements.

## Proceedings on behalf of the Group

No application for leave has been made under section 237 of the *Corporations Act 2001* in respect of the Group and no proceedings have been brought or intervened in on behalf of the Group under that section.

## Remuneration Report

Information on remuneration for the ASX Limited Board and Key Management Personnel (KMP), is contained in the Remuneration Report on pages 46 to 70, which forms part of the Directors' Report.

## Non-audit services

Details of the amounts paid or payable to the Group's auditor PricewaterhouseCoopers (PwC) and its related practices for non-audit services provided during the year are set out in note F7 of the financial statements.

## Directors' declaration of satisfaction with independence of auditor

The Board of directors has considered the non-audit services provided during the year by the auditor and in accordance with advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee
- non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is on page 73.

## Rounding of amounts

ASX is a company of the kind referred to in ASIC Legislative Instrument 2016/191. Amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand or hundred thousand dollars in accordance with that instrument, unless otherwise indicated.

Signed in accordance with a resolution of the directors:



**DAMIAN ROCHE**  
Chair



**HELEN LOFTHOUSE**  
Managing Director and Chief Executive Officer

Sydney, 18 August 2022

# Auditor's independence declaration



## Auditor's independence declaration

As lead auditor for the audit of ASX Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ASX Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'V. Papageorgiou'.

Voula Papageorgiou  
Partner  
PricewaterhouseCoopers

Sydney  
18 August 2022

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Financial report

## Contents

### CONSOLIDATED FINANCIAL STATEMENTS

|                                                |    |
|------------------------------------------------|----|
| Consolidated statement of comprehensive income | 75 |
| Consolidated balance sheet                     | 76 |
| Consolidated statement of changes in equity    | 77 |
| Consolidated statement of cash flows           | 78 |

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### SIGNIFICANT ACCOUNTING POLICIES

|                                    |    |
|------------------------------------|----|
| A1 Significant accounting policies | 80 |
| A2 New and amended standards       | 80 |

#### PERFORMANCE OF THE GROUP

|                                          |    |
|------------------------------------------|----|
| B1 Segment reporting                     | 81 |
| B2 Revenue from contracts with customers | 84 |
| B3 Earnings per share                    | 86 |
| B4 Dividends                             | 86 |
| B5 Taxation                              | 86 |

#### RISK MANAGEMENT

|                       |    |
|-----------------------|----|
| C1 Capital management | 88 |
| C2 Clearing risk      | 89 |
| C3 Financial risk     | 91 |

#### INVESTMENTS

|                                      |    |
|--------------------------------------|----|
| D1 Investments in equity instruments | 99 |
| D2 Equity accounted investments      | 99 |

#### OTHER BALANCE SHEET ASSETS AND LIABILITIES

|                                  |     |
|----------------------------------|-----|
| E1 Trade and other receivables   | 101 |
| E2 Intangible assets             | 102 |
| E3 Property, plant and equipment | 104 |
| E4 Trade and other payables      | 105 |
| E5 Provisions                    | 105 |
| E6 Contingent liabilities        | 106 |
| E7 Leases                        | 106 |
| E8 Borrowings                    | 108 |

#### GROUP DISCLOSURES

|                                        |     |
|----------------------------------------|-----|
| F1 Subsidiaries                        | 109 |
| F2 Deed of Cross Guarantee             | 110 |
| F3 Related party transactions          | 111 |
| F4 Parent entity financial information | 111 |
| F5 Commitments                         | 112 |
| F6 Share-based payments                | 112 |
| F7 Auditor's remuneration              | 113 |
| F8 Subsequent events                   | 113 |

|                               |     |
|-------------------------------|-----|
| <b>DIRECTORS' DECLARATION</b> | 114 |
|-------------------------------|-----|

|                                                                   |     |
|-------------------------------------------------------------------|-----|
| <b>INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASX LIMITED</b> | 115 |
|-------------------------------------------------------------------|-----|

# Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE

|                                                                                      | Note       | 2022<br>\$m    | 2021 <sup>1</sup><br>\$m |
|--------------------------------------------------------------------------------------|------------|----------------|--------------------------|
| <b>Revenue</b>                                                                       |            |                |                          |
| Listings                                                                             | B2         | 216.7          | 185.4                    |
| Markets                                                                              | B2         | 300.2          | 286.8                    |
| Technology and Data                                                                  | B2         | 224.2          | 206.0                    |
| Securities and Payments                                                              | B2         | 300.7          | 284.1                    |
| Interest income                                                                      |            | 54.9           | 60.7                     |
| Share of net (loss) of equity accounted investments                                  | D2         | (13.9)         | (5.9)                    |
|                                                                                      |            | <b>1,082.8</b> | <b>1,017.1</b>           |
| <b>Expenses</b>                                                                      |            |                |                          |
| Staff                                                                                |            | (171.7)        | (154.3)                  |
| Occupancy                                                                            |            | (8.9)          | (9.4)                    |
| Equipment                                                                            |            | (50.6)         | (45.4)                   |
| Administration                                                                       |            | (55.1)         | (50.6)                   |
| Finance costs                                                                        |            | (13.8)         | (14.0)                   |
| Depreciation and amortisation                                                        | E2, E3, E7 | (52.4)         | (55.5)                   |
|                                                                                      |            | <b>(352.5)</b> | <b>(329.2)</b>           |
| <b>Profit before income tax expense</b>                                              |            | <b>730.3</b>   | <b>687.9</b>             |
| Income tax expense                                                                   | B5         | (221.8)        | (207.0)                  |
| <b>Net profit for the year attributable to owners of the Company</b>                 |            | <b>508.5</b>   | <b>480.9</b>             |
| <b>Other comprehensive income</b>                                                    |            |                |                          |
| <b>Items that may be reclassified to profit or loss</b>                              |            |                |                          |
| Change in the fair value of cash flow hedges                                         |            | 0.1            | (0.1)                    |
| <b>Items that cannot be reclassified to profit or loss</b>                           |            |                |                          |
| Change in the fair value of investments in equity instruments                        |            | 2.0            | (11.3)                   |
| <b>Other comprehensive income/(loss) for the year, net of tax</b>                    |            | <b>2.1</b>     | <b>(11.4)</b>            |
| <b>Total comprehensive income for the year attributable to owners of the Company</b> |            | <b>510.6</b>   | <b>469.5</b>             |
| <b>Earnings per share</b>                                                            |            |                |                          |
| Basic earnings per share (cents per share)                                           | B3         | 262.7          | 248.4                    |
| Diluted earnings per share (cents per share)                                         | B3         | 262.7          | 248.4                    |

<sup>1</sup> FY21 revenue classification has been restated in line with the organisational restructure effective 1 July 2021. There was no change to total revenue. Refer to note B1 for further details.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated balance sheet

AS AT 30 JUNE

|                                                       | Note | 2022<br>\$m     | 2021<br>\$m     |
|-------------------------------------------------------|------|-----------------|-----------------|
| <b>Current assets</b>                                 |      |                 |                 |
| Cash                                                  | C3   | 4,972.2         | 5,357.8         |
| Other financial assets at amortised cost              | C3   | 8,959.2         | 7,565.4         |
| Financial assets at fair value through profit or loss | C3   | 525.6           | 458.7           |
| Trade and other receivables                           | E1   | 857.1           | 362.6           |
| Prepayments                                           |      | 17.8            | 21.0            |
| <b>Total current assets</b>                           |      | <b>15,331.9</b> | <b>13,765.5</b> |
| <b>Non-current assets</b>                             |      |                 |                 |
| Investments in equity instruments                     | D1   | 47.1            | 41.8            |
| Equity accounted investments                          | D2   | 50.5            | 45.8            |
| Intangible assets                                     | E2   | 2,637.3         | 2,566.5         |
| Net deferred tax asset                                | B5   | 55.1            | 48.1            |
| Property, plant and equipment                         | E3   | 51.7            | 58.2            |
| Right-of-use assets                                   | E7   | 58.3            | 64.3            |
| Prepayments                                           |      | 5.6             | 6.8             |
| <b>Total non-current assets</b>                       |      | <b>2,905.6</b>  | <b>2,831.5</b>  |
| <b>Total assets</b>                                   |      | <b>18,237.5</b> | <b>16,597.0</b> |
| <b>Current liabilities</b>                            |      |                 |                 |
| Amounts owing to participants                         | C2   | 13,076.7        | 12,014.8        |
| Trade and other payables                              | E4   | 810.5           | 332.0           |
| Current tax liabilities                               |      | 31.8            | 21.9            |
| Provisions                                            | E5   | 21.3            | 20.0            |
| Lease liabilities                                     | E7   | 10.6            | 9.8             |
| Revenue received in advance                           | B2   | 119.0           | 108.7           |
| <b>Total current liabilities</b>                      |      | <b>14,069.9</b> | <b>12,507.2</b> |
| <b>Non-current liabilities</b>                        |      |                 |                 |
| Amounts owing to participants                         | C2   | 200.0           | 200.0           |
| Provisions                                            | E5   | 5.4             | 6.0             |
| Lease liabilities                                     | E7   | 57.0            | 62.6            |
| Revenue received in advance                           | B2   | 99.8            | 84.9            |
| <b>Total non-current liabilities</b>                  |      | <b>362.2</b>    | <b>353.5</b>    |
| <b>Total liabilities</b>                              |      | <b>14,432.1</b> | <b>12,860.7</b> |
| <b>Net assets</b>                                     |      | <b>3,805.4</b>  | <b>3,736.3</b>  |
| <b>Equity</b>                                         |      |                 |                 |
| Issued capital                                        | C1   | 3,027.2         | 3,027.2         |
| Retained earnings                                     |      | 697.8           | 629.9           |
| Reserves                                              | C1   | 80.4            | 79.2            |
| <b>Total equity</b>                                   |      | <b>3,805.4</b>  | <b>3,736.3</b>  |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE

|                                                              | Note | Issued capital<br>\$m | Retained earnings<br>\$m | Reserves<br>\$m | Total equity<br>\$m |
|--------------------------------------------------------------|------|-----------------------|--------------------------|-----------------|---------------------|
| Opening balance at 1 July 2021                               |      | 3,027.2               | 629.9                    | 79.2            | 3,736.3             |
| Profit for the year                                          |      | —                     | 508.5                    | —               | 508.5               |
| Other comprehensive income for the year                      |      | —                     | —                        | 2.1             | 2.1                 |
| <b>Total comprehensive income for the period, net of tax</b> |      | <b>—</b>              | <b>508.5</b>             | <b>2.1</b>      | <b>510.6</b>        |
| <b>Transactions with owners in their capacity as owners:</b> |      |                       |                          |                 |                     |
| Share-based payments <sup>1</sup>                            |      | —                     | —                        | (0.9)           | (0.9)               |
| Dividends paid                                               | B4   | —                     | (440.6)                  | —               | (440.6)             |
| <b>Closing balance at 30 June 2022</b>                       |      | <b>3,027.2</b>        | <b>697.8</b>             | <b>80.4</b>     | <b>3,805.4</b>      |
| <b>Opening balance at 1 July 2020</b>                        |      | <b>3,027.2</b>        | <b>603.8</b>             | <b>89.4</b>     | <b>3,720.4</b>      |
| Profit for the year                                          |      | —                     | 480.9                    | —               | 480.9               |
| Other comprehensive loss for the year                        |      | —                     | —                        | (11.4)          | (11.4)              |
| <b>Total comprehensive income for the period, net of tax</b> |      | <b>—</b>              | <b>480.9</b>             | <b>(11.4)</b>   | <b>469.5</b>        |
| <b>Transactions with owners in their capacity as owners:</b> |      |                       |                          |                 |                     |
| Share-based payments <sup>1</sup>                            |      | —                     | —                        | 1.2             | 1.2                 |
| Dividends paid                                               | B4   | —                     | (454.8)                  | —               | (454.8)             |
| <b>Closing balance at 30 June 2021</b>                       |      | <b>3,027.2</b>        | <b>629.9</b>             | <b>79.2</b>     | <b>3,736.3</b>      |

<sup>1</sup> Amounts include the impact of shares under the deferred equity plan that were forfeited during the period.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE

|                                                                           | Note | 2022<br>\$m    | 2021<br>\$m    |
|---------------------------------------------------------------------------|------|----------------|----------------|
| <b>Cash flows from operating activities</b>                               |      |                |                |
| Receipts from customers                                                   |      | 1,129.7        | 1,080.4        |
| Payments to suppliers and employees                                       |      | (357.4)        | (343.6)        |
|                                                                           |      | <b>772.3</b>   | <b>736.8</b>   |
| Increase/(decrease) in participants' margins and commitments <sup>1</sup> |      | 1,006.3        | (428.2)        |
| (Increase)/decrease in financial assets at amortised cost                 |      | (1,388.9)      | 4,957.4        |
| Interest received                                                         |      | 46.4           | 53.7           |
| Interest paid                                                             |      | (13.1)         | (15.3)         |
| Income taxes paid                                                         |      | (219.6)        | (209.4)        |
| <b>Net cash inflow from operating activities</b>                          |      | <b>203.4</b>   | <b>5,095.0</b> |
| <b>Cash flows from investing activities</b>                               |      |                |                |
| Payments for investments in equity instruments                            |      | (2.5)          | (12.9)         |
| Payments for equity accounted investments                                 |      | (18.6)         | (11.2)         |
| Payments for other non-current assets                                     |      | (105.8)        | (101.3)        |
| <b>Net cash (outflow) from investing activities</b>                       |      | <b>(126.9)</b> | <b>(125.4)</b> |
| <b>Cash flows from financing activities</b>                               |      |                |                |
| Dividends paid                                                            | B4   | (440.6)        | (454.8)        |
| Proceeds from borrowings                                                  | E8   | 90.0           | 200.0          |
| Repayment of borrowings                                                   | E8   | (90.0)         | (200.0)        |
| Principal payments for leased assets                                      | E7   | (10.2)         | (9.6)          |
| <b>Net cash (outflow) from financing activities</b>                       |      | <b>(450.8)</b> | <b>(464.4)</b> |
| <b>Net (decrease)/increase in cash</b>                                    |      | <b>(374.3)</b> | <b>4,505.2</b> |
| (Decrease) in the fair value of cash                                      |      | —              | (0.1)          |
| (Decrease) in cash due to changes in foreign exchange rates               |      | (11.3)         | (5.4)          |
| Cash at the beginning of the year                                         |      | 5,357.8        | 858.1          |
| <b>Cash at the end of the year</b>                                        |      | <b>4,972.2</b> | <b>5,357.8</b> |

1. Commitments are cash-backed and included under 'Amounts owing to participants' in non-current liabilities.

The cash balance is comprised of:

|                          | 2022<br>\$m    | 2021<br>\$m    |
|--------------------------|----------------|----------------|
| Cash at bank and on hand | 4,585.5        | 4,968.1        |
| Overnight cash deposits  | 386.7          | 389.7          |
| <b>Total cash</b>        | <b>4,972.2</b> | <b>5,357.8</b> |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows continued

FOR THE YEAR ENDED 30 JUNE

## Reconciliation of the operating profit after income tax to the net cash flows from operating activities

|                                                                                                   | 2022<br>\$m  | 2021<br>\$m    |
|---------------------------------------------------------------------------------------------------|--------------|----------------|
| Net profit after tax                                                                              | 508.5        | 480.9          |
| <b>Non-cash items</b>                                                                             |              |                |
| Depreciation and amortisation                                                                     | 52.4         | 55.5           |
| Share-based payments                                                                              | (0.9)        | 1.2            |
| Share of net loss of equity accounted investments                                                 | 13.9         | 5.9            |
| Foreign currency revaluation                                                                      | 11.3         | 5.4            |
| <b>Total non-cash items</b>                                                                       | <b>76.7</b>  | <b>68.0</b>    |
| <b>Changes in operating assets and liabilities</b>                                                |              |                |
| (Increase)/decrease in other financial assets at amortised cost <sup>1</sup>                      | (1,393.8)    | 4,946.0        |
| (Increase)/decrease in financial assets at fair value through profit or loss (FVTPL) <sup>3</sup> | (66.9)       | 28.8           |
| Increase/(decrease) in tax balances                                                               | 2.2          | (2.4)          |
| (Increase)/decrease in receivables <sup>2</sup>                                                   | (26.1)       | 9.1            |
| Decrease in prepayments                                                                           | 4.4          | 4.2            |
| Increase/(decrease) in amounts owing to participants <sup>3</sup>                                 | 1,061.9      | (462.4)        |
| Increase/(decrease) in trade and other payables <sup>2</sup>                                      | 10.7         | (13.3)         |
| Increase in revenue received in advance                                                           | 25.2         | 33.5           |
| Increase in provisions                                                                            | 0.6          | 2.6            |
| <b>Net cash inflow from operating activities</b>                                                  | <b>203.4</b> | <b>5,095.0</b> |

<sup>1</sup> Reconciliation of this line item to the statement of cash flows on page 78 includes interest from discount securities reflected within net profit after tax.

<sup>2</sup> Changes in assets and liabilities from investing and financing activities such as margins receivable/payable, certain accruals, make-good provisions and securities pledged under repurchase agreements are excluded.

<sup>3</sup> Reconciliation of this line item to the statement of cash flows on page 78 includes foreign currency revaluation on amounts owing to participants reflected within the non-cash items above. The line item reflects the net effect of changes in FVTPL and changes in amounts owing to participants.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Significant accounting policies

## A1 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

ASX Limited (ASX or the Company) is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing the financial statements. The financial statements for the year ended 30 June 2022 are for the consolidated entity which consists of ASX and its subsidiaries (together referred to as the Group) and were authorised for issue by the Board of Directors on 18 August 2022. The directors have the power to amend and reissue the financial statements.

The financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
- include the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of the subsidiaries for the year ended 30 June 2022. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation
- have been prepared on a historical cost basis, except for financial assets at FVTPL and investments in equity instruments which have been measured at fair value through other comprehensive income (FVTOCI) (refer to notes C3 and D1)
- are measured and presented in Australian dollars which is ASX's functional and presentation currency with all values rounded to the nearest thousand or hundred thousand dollars in accordance with ASIC Legislative Instrument 2016/191, unless otherwise indicated.

### b) Key judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates concerning future events. Judgements and estimates that are material to the financial report are found in the following notes:

- B2 Revenue from contracts with customers
- D1 Investments in equity instruments
- D2 Equity accounted investments
- E2 Intangible assets
- E7 Leases.

Key judgements and estimates are contained in shaded text and included in the relevant note.

### c) Accounting policies

#### Foreign currency translation

Foreign currency transactions are translated into Australian dollars, being the currency of the primary economic environment in which the Group operates (the functional currency), using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss, except where they are deferred in equity as qualifying cash flow hedges and investments in equity instruments (refer to note D1).

#### Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the item of expense to which it relates.

Assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability.

Cash flows are reported on a gross basis and inclusive of GST. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

#### Other accounting policies

Other significant accounting policies are contained in shaded text and are included in the relevant note. These policies have been consistently applied to all years presented, unless otherwise stated.

### d) Reclassification of prior year balances

Certain comparative balances may be reclassified to ensure consistency with changes to current period presentation and classification. Refer to note B1 for further details.

## A2 NEW AND AMENDED STANDARDS

### a) New and amended standards and interpretations adopted by the Group

The Australian Accounting Standards Board (AASB) has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2021. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the 30 June 2022 year-end report that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

### b) New and amended standards and interpretations in issue but not yet effective

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2021. The Group has assessed these standards and interpretations and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting period.

# Performance of the Group

## B1 SEGMENT REPORTING

### a) Description of segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO.

The CODM assesses performance of the Group as a single segment, being an integrated organisation that provides a multi-asset class product offering under the following business units:

- Listings business – responsible for the origination of listed primary and secondary equity, and investment products
- Markets business – responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing
- Securities and Payments business – responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHES replacement project
- Technology and Data business – responsible for technology, connectivity and data-related businesses including technical and information services, DataSphere and DLT Solutions.

In addition to reviewing performance based on statutory profit after tax, the CODM assesses the performance of the Group based on underlying profit after tax. This measure excludes amounts regarded as significant items of revenue and expense such as those that may be associated with material business restructuring or individual transactions of an infrequent nature. There were no items reported as significant in the current or prior financial period.

Group performance measures, including earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA), are also reviewed by the CODM. In assessing performance, expected credit loss (ECL) allowances and arrangements where revenue is shared with external parties are reclassified from expenses to operating revenue; certain expenses are reclassified within operating expenses; and interest income is presented net of interest expense.

### b) New revenue segment reporting

Effective 1 July 2021, ASX reorganised the business into four clearly defined revenue generating business units reporting directly to the Managing Director and CEO. This was undertaken to ensure ASX's structure best reflects its strategic priorities, better aligns management responsibility and accountability, and sharpens focus on customers.

This new structure is reflected in this year's financial statements. Revenue classifications in the pcp have been restated to align with how the business units are now reported. There was no change to total revenue in the pcp. A reconciliation between the previously reported and restated prior period balances is tabled below.

|                                                     | 2021                    |                        |              |                               |                |
|-----------------------------------------------------|-------------------------|------------------------|--------------|-------------------------------|----------------|
|                                                     | Segment information     |                        |              | Consolidated income statement |                |
|                                                     | Previously reported \$m | Re-classifications \$m | Restated \$m | Adjustments \$m               | Restated \$m   |
| Listings <sup>1</sup>                               | 258.2                   | (75.3)                 | 182.9        | 2.5                           | 185.4          |
| Markets <sup>2</sup>                                | 284.6                   | 2.4                    | 287.0        | (0.2)                         | 286.8          |
| Technology and Data <sup>3</sup>                    | 265.0                   | (61.0)                 | 204.0        | 2.0                           | 206.0          |
| Securities and Payments <sup>4</sup>                | 143.7                   | 133.9                  | 277.6        | 6.5                           | 284.1          |
| Operating revenue                                   | 951.5                   | —                      | 951.5        | 10.8                          | 962.3          |
| Interest income                                     |                         |                        |              |                               | 60.7           |
| Share of net (loss) of equity accounted investments |                         |                        |              |                               | (5.9)          |
| <b>Total revenue</b>                                |                         |                        |              |                               | <b>1,017.1</b> |

<sup>1</sup> Listings, formerly Listing and Issuer services: Issuer services was reclassified from Listings to Securities and Payments.

<sup>2</sup> Markets, formerly Derivatives and OTC Markets: Austraclear was reclassified from Markets to Securities and Payments, Cash market trading was reclassified from Technology and Data to Markets.

<sup>3</sup> Technology and Data, formerly Trading Services: Cash market trading was reclassified from Technology and Data to Markets.

<sup>4</sup> Securities and Payments, formerly Equity Post-Trade Services: Issuer services was reclassified from Listings to Securities and Payments, Austraclear was reclassified from Markets to Securities and Payments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B1 SEGMENT REPORTING CONTINUED

## c) Segment results

The information provided on a regular basis to the CODM and a reconciliation to statutory profit after tax for the period attributable to owners of the Company are presented below.

ASX derives all external customer revenue within Australia with some services accessible, and some customers located, offshore.

No single customer generates revenue greater than 10% of the Group's total revenue.

| For the year ended 30 June                          | 2022                       |                    |                                      | 2021 <sup>1</sup>          |                    |                                      |
|-----------------------------------------------------|----------------------------|--------------------|--------------------------------------|----------------------------|--------------------|--------------------------------------|
|                                                     | Segment information<br>\$m | Adjustments<br>\$m | Consolidated income statement<br>\$m | Segment information<br>\$m | Adjustments<br>\$m | Consolidated income statement<br>\$m |
| <b>Revenue</b>                                      |                            |                    |                                      |                            |                    |                                      |
| Annual listing                                      | 108.8                      | 2.8                | 111.6                                | 89.9                       | 2.4                | 92.3                                 |
| Initial listing                                     | 22.9                       | —                  | 22.9                                 | 18.6                       | —                  | 18.6                                 |
| Subsequent raisings                                 | 73.1                       | —                  | 73.1                                 | 64.1                       | —                  | 64.1                                 |
| Investment products and other listing               | 9.1                        | —                  | 9.1                                  | 10.3                       | 0.1                | 10.4                                 |
| <b>Listings</b>                                     | <b>213.9</b>               | <b>2.8</b>         | <b>216.7</b>                         | <b>182.9</b>               | <b>2.5</b>         | <b>185.4</b>                         |
| Equity options                                      | 15.5                       | —                  | 15.5                                 | 11.6                       | 0.1                | 11.7                                 |
| Futures and OTC clearing                            | 211.8                      | 1.6                | 213.4                                | 214.4                      | (0.3)              | 214.1                                |
| Cash market trading                                 | 71.3                       | —                  | 71.3                                 | 61.0                       | —                  | 61.0                                 |
| <b>Markets</b>                                      | <b>298.6</b>               | <b>1.6</b>         | <b>300.2</b>                         | <b>287.0</b>               | <b>(0.2)</b>       | <b>286.8</b>                         |
| Information services                                | 130.5                      | 0.2                | 130.7                                | 118.0                      | —                  | 118.0                                |
| Technical services                                  | 91.4                       | 2.1                | 93.5                                 | 86.0                       | 2.0                | 88.0                                 |
| <b>Technology and Data</b>                          | <b>221.9</b>               | <b>2.3</b>         | <b>224.2</b>                         | <b>204.0</b>               | <b>2.0</b>         | <b>206.0</b>                         |
| Issuer services                                     | 78.5                       | 0.1                | 78.6                                 | 75.3                       | 0.1                | 75.4                                 |
| Cash market clearing                                | 76.0                       | (0.2)              | 75.8                                 | 71.0                       | —                  | 71.0                                 |
| Cash market settlement                              | 77.1                       | —                  | 77.1                                 | 72.7                       | —                  | 72.7                                 |
| Austraclear                                         | 56.7                       | 12.5               | 69.2                                 | 58.6                       | 6.4                | 65.0                                 |
| <b>Securities and Payments</b>                      | <b>288.3</b>               | <b>12.4</b>        | <b>300.7</b>                         | <b>277.6</b>               | <b>6.5</b>         | <b>284.1</b>                         |
| <b>Operating revenue</b>                            | <b>1,022.7</b>             |                    |                                      | <b>951.5</b>               |                    |                                      |
| Interest income                                     |                            | 54.9               | 54.9                                 |                            | 60.7               | 60.7                                 |
| Share of net (loss) of equity accounted investments |                            | (13.9)             | (13.9)                               |                            | (5.9)              | (5.9)                                |
| <b>Total revenue</b>                                |                            | <b>60.1</b>        | <b>1,082.8</b>                       |                            | <b>65.6</b>        | <b>1,017.1</b>                       |

1. FY21 revenue classification has been restated in line with the organisational restructure effective 1 July 2021. There was no change to total revenue.

# Performance of the Group

## B1 SEGMENT REPORTING CONTINUED

| For the year ended 30 June           | 2022                       |                    |                                      | 2021                       |                    |                                      |
|--------------------------------------|----------------------------|--------------------|--------------------------------------|----------------------------|--------------------|--------------------------------------|
|                                      | Segment information<br>\$m | Adjustments<br>\$m | Consolidated income statement<br>\$m | Segment information<br>\$m | Adjustments<br>\$m | Consolidated income statement<br>\$m |
| <b>Expenses</b>                      |                            |                    |                                      |                            |                    |                                      |
| Staff                                | (171.7)                    | —                  | (171.7)                              | (154.3)                    | —                  | (154.3)                              |
| Occupancy                            | (8.9)                      | —                  | (8.9)                                | (9.4)                      | —                  | (9.4)                                |
| Equipment                            | (47.8)                     | (2.8)              | (50.6)                               | (42.5)                     | (2.9)              | (45.4)                               |
| Administration                       | (31.6)                     | (23.5)             | (55.1)                               | (27.9)                     | (22.7)             | (50.6)                               |
| Variable                             | (15.5)                     | 15.5               | —                                    | (14.2)                     | 14.2               | —                                    |
| ASIC levy                            | (7.7)                      | 7.7                | —                                    | (8.5)                      | 8.5                | —                                    |
| <b>Operating expenses</b>            | <b>(283.2)</b>             |                    |                                      | <b>(256.8)</b>             |                    |                                      |
| <b>EBITDA</b>                        | <b>739.5</b>               |                    |                                      | <b>694.7</b>               |                    |                                      |
| Finance costs                        | —                          | (13.8)             | (13.8)                               | —                          | (14.0)             | (14.0)                               |
| Depreciation and amortisation        | (50.3)                     | (2.1)              | (52.4)                               | (53.5)                     | (2.0)              | (55.5)                               |
| <b>Total expenses</b>                | <b>(50.3)</b>              | <b>(19.0)</b>      | <b>(352.5)</b>                       | <b>(53.5)</b>              | <b>(18.9)</b>      | <b>(329.2)</b>                       |
| <b>EBIT</b>                          | <b>689.2</b>               |                    |                                      | <b>641.2</b>               |                    |                                      |
| <b>Net interest income</b>           |                            |                    |                                      |                            |                    |                                      |
| Net interest expense                 | (3.5)                      | 3.5                | —                                    | (3.9)                      | 3.9                | —                                    |
| Net interest on participant balances | 44.6                       | (44.6)             | —                                    | 50.6                       | (50.6)             | —                                    |
| <b>Net interest income</b>           | <b>41.1</b>                | <b>(41.1)</b>      | <b>—</b>                             | <b>46.7</b>                | <b>(46.7)</b>      | <b>—</b>                             |
| <b>Underlying profit before tax</b>  | <b>730.3</b>               | <b>—</b>           | <b>730.3</b>                         | <b>687.9</b>               | <b>—</b>           | <b>687.9</b>                         |
| Income tax expense                   | (221.8)                    | —                  | (221.8)                              | (207.0)                    | —                  | (207.0)                              |
| <b>Underlying profit after tax</b>   | <b>508.5</b>               | <b>—</b>           | <b>508.5</b>                         | <b>480.9</b>               | <b>—</b>           | <b>480.9</b>                         |
| <b>Significant items</b>             | <b>—</b>                   | <b>—</b>           | <b>—</b>                             | <b>—</b>                   | <b>—</b>           | <b>—</b>                             |
| <b>Statutory profit after tax</b>    | <b>508.5</b>               | <b>—</b>           | <b>508.5</b>                         | <b>480.9</b>               | <b>—</b>           | <b>480.9</b>                         |

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the item of expense to which it relates.

# Performance of the Group

## B2 REVENUE FROM CONTRACTS WITH CUSTOMERS

### a) Disaggregation of revenue

The Group derives its revenue from the transfer of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied and by major business unit.

| For the year ended<br>30 June 2022                         | Services<br>satisfied at a<br>point in time<br>\$m | Services<br>satisfied<br>over time<br>\$m | Total<br>\$m   |
|------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|----------------|
| Listings                                                   | 4.5                                                | 212.2                                     | 216.7          |
| Markets                                                    | 299.8                                              | 0.4                                       | 300.2          |
| Technology and Data                                        | 3.7                                                | 220.5                                     | 224.2          |
| Securities and<br>Payments                                 | 254.1                                              | 46.6                                      | 300.7          |
| <b>Total revenue from<br/>contracts with<br/>customers</b> | <b>562.1</b>                                       | <b>479.7</b>                              | <b>1,041.8</b> |
| <b>For the year ended<br/>30 June 2021</b>                 |                                                    |                                           |                |
| Listings                                                   | 6.5                                                | 178.9                                     | 185.4          |
| Markets                                                    | 286.2                                              | 0.6                                       | 286.8          |
| Technology and Data                                        | 4.2                                                | 201.8                                     | 206.0          |
| Securities and<br>Payments                                 | 239.6                                              | 44.5                                      | 284.1          |
| <b>Total revenue from<br/>contracts with<br/>customers</b> | <b>536.5</b>                                       | <b>425.8</b>                              | <b>962.3</b>   |

As disclosed in note B1, the Group has one operating segment. The disaggregated revenue in this note differs from the reportable segment as the expected credit loss (ECL) allowance and certain revenue share agreements with external parties are reclassified from expenses to operating revenue.

### b) Revenue received in advance

The Group has recognised the following revenue received in advance related to contracts with customers. The balances represent the aggregate transaction price allocated to contract liabilities for performance obligations that are partially unsatisfied at reporting date. There is no consideration that has been excluded from the transaction price.

| As at 30 June                                            | 2022<br>\$m  | 2021<br>\$m  |
|----------------------------------------------------------|--------------|--------------|
| <b>Current</b>                                           |              |              |
| Listings                                                 | 93.5         | 84.4         |
| Technology and Data                                      | 8.2          | 7.7          |
| Securities and Payments                                  | 17.3         | 16.6         |
| <b>Total current revenue received in<br/>advance</b>     | <b>119.0</b> | <b>108.7</b> |
| <b>Non-current</b>                                       |              |              |
| Listings                                                 | 99.8         | 84.9         |
| <b>Total non-current revenue received<br/>in advance</b> | <b>99.8</b>  | <b>84.9</b>  |
| <b>Total revenue received in advance</b>                 | <b>218.8</b> | <b>193.6</b> |

The current portion of the above contract liabilities will be recognised as revenue within the next financial year. The non-current portion which relates to initial and subsequent listings will be recognised as revenue between FY24 and FY27.

### c) Contract assets

The Group did not have any contract assets at 30 June 2022 (2021: nil).

# Performance of the Group

## B2 REVENUE FROM CONTRACTS WITH CUSTOMERS CONTINUED

**Revenue from contracts with customers** is recognised using a five step approach to depict the transfer of promised goods or services to customers. It is measured at the transaction price specified in the contract and is net of amounts expected to be refunded to the customer such as rebates. Revenue also excludes any taxes collected on behalf of third parties.

The following five steps are applied to determine when revenue is recognised:

1. Identify the contract with a customer
2. Identify the separate performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the separate performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Performance obligations that have not been satisfied at the reporting date are recognised as revenue received in advance on the balance sheet.

There are no contracts with customers that have significant financing components. The Group has considered the time difference between when it provides the initial and subsequent listing service to the customer and when the customer pays for the service, and determined that this does not result in a significant financing component.

All contracts have standard 30-day payment terms.

The transaction price is based on the price specified in the contract or in accordance with published fee schedules and is net of any applicable rebates. Rebates are calculated based on actual transactions or trading, clearing or settlement volumes. Where this information is not immediately available within the relevant accounting period, the expected amount is estimated based on previous experience with the customer and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability for the rebates is recognised within trade and other payables, and typically have payment terms of 30 days following the end of the relevant period.

Revenue is recognised for the major revenue lines as described below.

### Listings

Initial and subsequent listing fees are recognised evenly over the period the listing service is expected to be provided. These fees are billed prior to the quotation of initial or secondary capital, and are recognised within receivables and revenue received in advance at the time of billing. The recognition of revenue commences from the date that the entity is admitted to the official list or on quotation of the secondary capital.

Annual listing fees are billed at the commencement of the financial year or prior to an entity listing on the exchange, at which point the fee is recognised within receivables and revenue received in advance. The revenue is recognised evenly over the financial year in which the service is provided.

### Markets

Revenue from trading and clearing of futures and equity options, and clearing of OTC interest rate derivatives is recognised at the point the service is provided, which is the trade date. The revenue includes variable consideration for rebates on certain volumes traded. A liability for rebates is recognised at trade date.

Cash market trading revenue is recognised at the point the service is provided, which is the settlement date. The normal market convention is that settlement occurs two days after the initial trade date (T+2). Accordingly, revenue for trades transacted in the last two days prior to period end is deferred and recognised in the subsequent reporting period.

### Technology and Data

Revenue in relation to information and technical services is recognised over the period the service is provided.

### Securities and Payments

This includes revenue from clearing and settlement of quoted securities including equities, debt securities, warrants and exchange-traded funds, and is recognised at the point that the service is provided, which is the settlement date. Accordingly, clearing and settlement fees for trades transacted in the last two days prior to period end are deferred and recognised in the subsequent reporting period. The revenue recognised is net of rebates expected to be paid, which are estimated based on prior experience with customers.

Memberships for cash market trading participants are billed at the commencement of the financial year and recognised within receivables and revenue received in advance. The revenue is recognised evenly over the financial year in which the service is provided.

Fees for registry services for debt securities are billed upfront and are net of rebates. They are recognised within receivables and revenue received in advance, and the revenue is recognised evenly over a 12-month period in which the service is provided.

Fees for Austraclear settlement and cash transactions are billed monthly net of rebates and are recognised at the point the service is provided, which is the transaction date. Fees for depository services for debt securities are billed monthly net of rebates, and are recognised as the service is provided during the month.

Austraclear membership fees are billed at the commencement of the calendar year or at the time an entity becomes a member. The revenue is recognised evenly over the calendar year in which the service is provided.

ASX Collateral service fees are recognised over the period the service is provided.

Issuer services revenue includes revenue for the provision of holding statements and other related activities, and is recognised at the point that the service is provided.

### Key judgements

The Group has applied critical judgement in determining the period that it expects to satisfy its performance obligations in relation to listing services. The model to determine the listing periods has taken into account historical information in relation to the length of time companies have been listed, and excluded those outside one standard deviation of the mean. There have been no changes to these periods in the current year.

# Performance of the Group

## B3 EARNINGS PER SHARE

| As at 30 June                                                                                       | 2022        | 2021        |
|-----------------------------------------------------------------------------------------------------|-------------|-------------|
| Basic and diluted earnings per share (cents)                                                        | 262.7       | 248.4       |
| Weighted average number of ordinary shares used in calculating basic and diluted earnings per share | 193,583,153 | 193,591,795 |

The decrease in the weighted average number of ordinary shares reflects higher treasury shares held during the current financial year. The basic and diluted earnings per share (EPS) amounts have been calculated on the basis of net profit after tax of \$508.5 million (2021: \$480.9 million).

Basic EPS is calculated by dividing the consolidated net profit after tax attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

## B4 DIVIDENDS

The Board's policy is to pay a dividend based on 90% of underlying net profit after tax. This is reviewed each time the Board considers payment of a dividend. The policy is unchanged from the prior year.

The following table includes information relating to dividends recognised and paid by ASX during the financial year.

| For the year ended 30 June 2022                  | Cents per share | Total amount \$m |
|--------------------------------------------------|-----------------|------------------|
| Final dividend for the year ended 30 June 2021   | 111.2           | 215.3            |
| Interim dividend for the year ended 30 June 2022 | 116.4           | 225.3            |
| <b>Total</b>                                     | <b>227.6</b>    | <b>440.6</b>     |

### For the year ended 30 June 2021

|                                                  |              |              |
|--------------------------------------------------|--------------|--------------|
| Final dividend for the year ended 30 June 2020   | 122.5        | 237.2        |
| Interim dividend for the year ended 30 June 2021 | 112.4        | 217.6        |
| <b>Total</b>                                     | <b>234.9</b> | <b>454.8</b> |

The above dividends paid by the Company include amounts attached to certain shares held by the Group's Long-Term Incentive Plan Trust (LTIPT). The dividend revenue recognised by LTIPT has been eliminated on consolidation. In the current and prior years, the dividend revenue was less than \$0.1 million.

Since the end of the financial year, the directors have determined a final dividend of 120.0 cents per share totalling \$232.3 million. The dividend will be fully franked based on tax paid at 30%.

A liability is recognised for the amount of any dividends determined on or before the balance date but not yet paid. Typically, the final dividend in respect of a financial year is determined after balance date, and therefore no provision is recognised.

## Dividend franking account

| As at 30 June                                                                                     | 2022 \$m | 2021 \$m |
|---------------------------------------------------------------------------------------------------|----------|----------|
| Franking credits available for future years at 30% adjusted for the payment of current income tax | 341.2    | 300.9    |

Adjusting for the payment of the final dividend for the year ended 30 June 2022, the franking credit balance would be \$241.7 million (2021: \$208.7 million).

## B5 TAXATION

ASX elected to form a tax consolidated group (tax group) for income tax purposes. ASX is the head entity and is therefore liable for the income tax liabilities of the tax group. The consolidated current and deferred tax amounts arising from temporary differences of the members of the tax group are recognised in the separate financial statements of the members of the tax group using the 'separate taxpayer within group' approach. ASX has entered into a tax funding agreement with members of the Australian tax group. The agreement has the objective of achieving an appropriate allocation of the Group's income tax expense to the main operating subsidiaries within the Group. The tax funding agreement also has the objective of allocating deferred tax assets relating to tax losses only, and current tax liabilities of the main operating subsidiaries to ASX. The subsidiaries will reimburse ASX for their portion of the Group's current tax liability and will recognise this payment as an inter-entity payable or receivable in their financial statements for that financial year. ASX will reimburse the subsidiaries for the deferred tax asset from any unused tax losses or credits by making a payment equal to the carrying value of the deferred tax asset.

The movements during the year in the following components of deferred tax asset and liability were recognised in profit or loss, with the exception of revaluations of investments in equity instruments and cash flow hedges, which were recognised in other comprehensive income.

# Performance of the Group

## B5 TAXATION CONTINUED

| As at 30 June                                                                                                                     | 2022<br>\$m    | 2021<br>\$m    |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>a) Income tax expense</b>                                                                                                      |                |                |
| Profit before income tax expense                                                                                                  | 730.3          | 687.9          |
| Prima facie income tax expense calculated at 30% (2021: 30%) on the profit before tax                                             | (219.1)        | (206.4)        |
| <b>Movement in income tax expense due to:</b>                                                                                     |                |                |
| Non-deductible items                                                                                                              | (0.3)          | (0.3)          |
| Equity accounted investment losses                                                                                                | (4.2)          | (1.8)          |
| Research and development tax offset                                                                                               | 1.6            | 1.5            |
| Adjustments to current tax for prior years                                                                                        | 0.2            | —              |
| <b>Total income tax expense</b>                                                                                                   | <b>(221.8)</b> | <b>(207.0)</b> |
| <b>b) Major components of income tax expense</b>                                                                                  |                |                |
| Current tax expense                                                                                                               | (229.4)        | (205.5)        |
| Movement in deferred tax liability                                                                                                | (2.2)          | (6.8)          |
| Movement in deferred tax asset                                                                                                    | 9.6            | 5.3            |
| Adjustments to current tax for prior years                                                                                        | 0.2            | —              |
| <b>Total income tax expense</b>                                                                                                   | <b>(221.8)</b> | <b>(207.0)</b> |
| <b>c) Income tax on items recognised directly in equity</b>                                                                       |                |                |
| Deferred STVR shares returned to trust                                                                                            | 0.4            | —              |
| <b>Total</b>                                                                                                                      | <b>0.4</b>     | <b>—</b>       |
| <b>d) Income tax on items recognised directly in other comprehensive income</b>                                                   |                |                |
| Revaluation of investments in equity instruments – unlisted entities                                                              | (0.8)          | 4.8            |
| <b>Total</b>                                                                                                                      | <b>(0.8)</b>   | <b>4.8</b>     |
| <b>e) Deferred tax asset</b>                                                                                                      |                |                |
| <b>Deferred tax asset comprises the estimated future benefit at an income tax rate of 30% (2021: 30%) of the following items:</b> |                |                |
| Employee entitlements provisions                                                                                                  | 12.7           | 10.8           |
| Lease liabilities                                                                                                                 | 20.3           | 21.7           |
| Accrued expenses                                                                                                                  | 3.6            | 1.4            |
| Revenue received in advance                                                                                                       | 64.7           | 55.7           |
| ECL allowance                                                                                                                     | 0.2            | 0.3            |
| Revaluation of investments in equity instruments-unlisted entities                                                                | 4.0            | 4.8            |
| <b>Deferred tax asset</b>                                                                                                         | <b>105.5</b>   | <b>94.7</b>    |

| As at 30 June                                                                                                                           | 2022<br>\$m   | 2021<br>\$m   |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Deferred tax (liability) comprises the estimated future expense at an income tax rate of 30% (2021: 30%) of the following items:</b> |               |               |
| Fixed assets                                                                                                                            | (32.6)        | (27.0)        |
| Right-of-use assets                                                                                                                     | (17.5)        | (19.3)        |
| LTVR Plan                                                                                                                               | (0.3)         | (0.3)         |
| <b>Deferred tax (liability)</b>                                                                                                         | <b>(50.4)</b> | <b>(46.6)</b> |
| <b>Net deferred tax asset</b>                                                                                                           | <b>55.1</b>   | <b>48.1</b>   |

Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. Income tax expense recognised in profit or loss comprises current and deferred income tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset if there is a legally enforceable right to offset and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred income tax is not recognised for certain temporary differences such as the initial recognition of goodwill.

The amount of deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilised, and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and when the deferred tax balances relate to income taxes levied by the same tax authority.

Further information on the Group's tax obligations can be found in the tax transparency report available on ASX's website.

# Risk management

## C1 CAPITAL MANAGEMENT

At 30 June 2022, equity of the Group totalled \$3,805.4 million (2021: 3,736.3 million). The Group's capital supports a range of activities and risks. Capital requirements are subject to change from time to time.

The Board's policy is to maintain an appropriate level of capital within the Group and relevant subsidiaries with the objectives of:

- meeting its compliance obligations with respect to the Financial Stability Standards and other regulations, including international regulations, as required by the various licences held
- sustaining prudential stability through maintaining an adequate level of equity at the Group level, cognisant of the fact that a significant allocation of capital supports the activities of the two licensed central counterparty clearing (CCP) subsidiaries as discussed in note C2 and the two licensed settlement facilities
- facilitating growth of the Group's exchange-traded and OTC markets, and providing appropriate risk-adjusted returns to shareholders
- reflecting the risks associated with the Group's operations.

In accordance with the Group's objectives and policies, capital represented by cash is invested at an appropriate liquidity profile, taking into consideration the potential claims on that equity that may arise from the Group's activities, predominantly CCP clearing.

The Group's objective is also to maintain its credit rating at the current AA- long-term and A-1+ short-term as rated by Standard & Poor's (S&P). The Group's capital comprises:

| As at 30 June                 | 2022<br>No. of shares | 2021<br>No. of shares | 2022<br>\$m    | 2021<br>\$m    |
|-------------------------------|-----------------------|-----------------------|----------------|----------------|
| Ordinary share capital        | 193,595,162           | 193,595,162           | 3,027.2        | 3,027.2        |
| Reserves                      |                       |                       |                |                |
| – Restricted capital reserve  |                       |                       | 71.5           | 71.5           |
| – Asset revaluation reserve   |                       |                       | (9.2)          | (11.3)         |
| – Equity compensation reserve |                       |                       | 18.1           | 19.0           |
| Retained earnings             |                       |                       | 697.8          | 629.9          |
| <b>Total</b>                  |                       |                       | <b>3,805.4</b> | <b>3,736.3</b> |

### a) Ordinary share capital

Fully paid ordinary shares carry the right to participate in dividends. Ordinary shares also entitle the holder to the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares have no par value and ASX does not have a limited amount of authorised capital. At 30 June 2022, all ordinary shares issued were fully paid. On a show of hands, every holder of ordinary shares present in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

There were no movements in the balance of ordinary share capital or the number of shares outstanding in the current or prior financial years as illustrated in the table above.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

### b) Treasury shares

Treasury shares are shares in ASX held by a trust for the benefit of employees under the ASX Long-Term Variable Reward (LTVR) Plan as described in the Remuneration Report. The purchase price of the shares, net of any tax effect, is deducted from the equity compensation reserve in equity.

Shares allocated to employees under the Deferred Short-Term Variable Reward (STVR) Plan are held as treasury shares when forfeited, until such time that they are reallocated under another STVR Plan or LTVR Plan.

The following table presents the movement in treasury shares during the financial year:

| For the year ended 30 June          | 2022<br>No. of shares | 2021<br>No. of shares |
|-------------------------------------|-----------------------|-----------------------|
| Opening balance                     | 2,027                 | 7,221                 |
| Purchase of LTVR Plan shares        | 10,773                | 10,444                |
| Issue of shares under the LTVR Plan | (10,773)              | (15,666)              |
| Shares transferred to the LTIPT     | 15,945                | 28                    |
| <b>Closing balance</b>              | <b>17,972</b>         | <b>2,027</b>          |

# Risk management

## C1 CAPITAL MANAGEMENT CONTINUED

### c) Reserves

The Group's reserves in equity includes the restricted capital reserve, the asset revaluation reserve and the equity compensation reserve.

#### Restricted capital reserve

The restricted capital reserve was created when funds were transferred from the National Guarantee Fund (NGF) to ASX Clear Pty Ltd (ASX Clear) in 2005. At this point in time, ASX Clear started assuming the clearing participant default risk of the clearing house. Under the terms of the transfer, ASX Clear must not, without first obtaining the consent in writing of the Assistant Treasurer (the Minister), take action to use these funds for a purpose other than clearing support.

#### Asset revaluation reserve

Changes in the fair value of investments in equity instruments are recognised in the asset revaluation reserve. The cumulative gain or loss that has been recognised within reserves is transferred directly to retained earnings and is not recycled through profit or loss when the associated equity instrument is sold.

The effective portion of gains or losses on assets designated as part of a cash flow hedging relationship are recognised in the hedging reserve, which is included within asset revaluation reserves. The ineffective portion of a hedge is recognised directly in profit or loss.

#### Equity compensation reserve

The equity compensation reserve is used to recognise the share-based payment expense relating to performance rights issued under ASX equity plans. Refer to note F6.

## C2 CLEARING RISK

The Group is subject to clearing and settlement risk.

The Group undertakes central counterparty (CCP) clearing and collects margins and other balances (commitments) from clearing participants as security for clearing risk undertaken.

Sub-sections (a) and (b) below discuss participants' obligations and the nature of collateral and commitments lodged, as well as ASX's recognition principles concerning these liabilities.

### a) Novation

The Group has two wholly owned subsidiaries that provide CCP clearing services:

- ASX Clear Pty Limited (ASX Clear), which provides novation of cash market securities and equity derivatives
- ASX Clear (Futures) Pty Limited (ASX Clear (Futures)), which provides novation of both exchange-traded and OTC derivatives.

Transactions between two clearing participant organisations are novated to the CCPs. This makes the CCPs contractually responsible for the obligations entered into by clearing participants on both the buying and selling legs of the same transaction. Through novation, the respective CCP assumes the credit risk of the underlying clearing participant in the event of a participant default. The novation process results in all positions held by the CCPs being matched.

### b) Participants' margins

Clearing participants are required to lodge an amount (initial margin) on open cash market, derivative and OTC positions novated to the Group's CCPs. These margins are based on risk parameters attached to the underlying security or contract at trade date and may include additional margins called on participants. The margin rates are subject to regulatory standards, including a high level of confidence that they meet expected movements based on historical events. However, there could be circumstances where losses are greater than the margins held.

Clearing participants may lodge cash or certain equity and debt securities to cover their margin obligations. In accordance with Group policies, the cash lodged by participants may subsequently be invested into approved products which are recognised as cash or financial assets at amortised cost on the balance sheet. The following table shows the form in which participants lodged margins and commitments at 30 June. This excludes equity securities lodged by participants which are not recognised on the balance sheet.

| As at 30 June                                          | 2022             |                               |                 |
|--------------------------------------------------------|------------------|-------------------------------|-----------------|
|                                                        | ASX Clear<br>\$m | ASX Clear<br>(Futures)<br>\$m | Total<br>\$m    |
| <b>Current</b>                                         |                  |                               |                 |
| Cash                                                   | 1,257.7          | 11,293.4                      | 12,551.1        |
| Non-cash collateral <sup>1</sup>                       | —                | 525.6                         | 525.6           |
| <b>Total current amounts owing to participants</b>     | <b>1,257.7</b>   | <b>11,819.0</b>               | <b>13,076.7</b> |
| <b>Non-current</b>                                     |                  |                               |                 |
| Cash commitments                                       | —                | 200.0                         | 200.0           |
| <b>Total non-current amounts owing to participants</b> | <b>—</b>         | <b>200.0</b>                  | <b>200.0</b>    |
| <b>Total amounts owing to participants</b>             | <b>1,257.7</b>   | <b>12,019.0</b>               | <b>13,276.7</b> |
| <b>Equity securities<sup>2</sup></b>                   | <b>3,056.6</b>   | <b>—</b>                      | <b>3,056.6</b>  |
| As at 30 June                                          | 2021             |                               |                 |
|                                                        | ASX Clear<br>\$m | ASX Clear<br>(Futures)<br>\$m | Total<br>\$m    |
| <b>Current</b>                                         |                  |                               |                 |
| Cash                                                   | 971.3            | 10,584.8                      | 11,556.1        |
| Non-cash collateral <sup>1</sup>                       | —                | 458.7                         | 458.7           |
| <b>Total current amounts owing to participants</b>     | <b>971.3</b>     | <b>11,043.5</b>               | <b>12,014.8</b> |
| <b>Non-current</b>                                     |                  |                               |                 |
| Cash commitments                                       | —                | 200.0                         | 200.0           |
| <b>Total non-current amounts owing to participants</b> | <b>—</b>         | <b>200.0</b>                  | <b>200.0</b>    |
| <b>Total amounts owing to participants</b>             | <b>971.3</b>     | <b>11,243.5</b>               | <b>12,214.8</b> |
| <b>Equity securities<sup>2</sup></b>                   | <b>3,443.5</b>   | <b>—</b>                      | <b>3,443.5</b>  |

1. Consists of debt securities.

2. Equity securities are not recognised on the balance sheet.

Current amounts owing to participants represent collateral lodged to cover margin requirements on unsettled derivative contracts and cash market trades. Non-current amounts owing to participants represent cash balances lodged by participants as commitments to clearing guarantee funds, which at reporting date had no determined repayment date.

# Risk management

## C2 CLEARING RISK CONTINUED

Margins that are settled by cash or debt securities are recognised on balance sheet at fair value and are classified as amounts owing to participants within current liabilities. Balances lodged in cash are interest bearing and are carried at the amounts deposited which represent fair value. Margins that are settled by equity securities are not recognised on balance sheet as the Group is not party to the contractual provisions of the instruments other than in the event of a default.

In addition to the initial margin, participants must also settle changes in the fair value of derivatives contracts (variation margin), and in certain circumstances must lodge additional margins. Participants must settle both initial and variation margins daily, including possible intraday and additional margin calls. The amounts owing to participants are repayable on settlement or closure of the contracts.

In the event of default by a clearing participant, ASX Clear and ASX Clear (Futures) are required to provide funds or settle securities of the defaulting participant. The CCPs also have the authority to retain collateral and commitments deposited by the defaulting clearing participant to satisfy its obligations.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 30 June 2022 were subsequently settled.

### c) Financial resources available to CCPs

The Financial Stability Standards require each CCP to have adequate financial resources to cover its exposures in the event of default by the two participants and their affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions.

Financial resources include the clearing default funds shown in the next two tables as well as eligible collateral and commitments. The level of clearing default funds which the CCPs must maintain may therefore increase from time to time.

The Financial Stability Standards also require each CCP to have a process for replenishing clearing default funds after depletion caused by a default loss. The replenished fund, which may be less than the original fund, is then available to support new activity post the loss.

To comply with this obligation, the Group has undertaken, in certain circumstances, to provide funds up to pre-determined levels for replenishment of the clearing default funds.

The Group may utilise a number of alternative funding sources to contribute to an increase in, or replenishment of, the CCPs' clearing default funds, including its own cash reserves. In certain circumstances participants may have an obligation to the CCP to contribute to an increase in, or replenishment of, the clearing default funds.

The CCPs' operating rules also provide for the CCPs to undertake certain actions to deal with events of default and utilisation of collateral, commitments and clearing default funds. These include the ability to call recovery assessments, impose payment reductions or implement termination of positions.

The following tables show the financial resources available to the CCPs to support their clearing activities (over and above the collateral lodged by participants).

### ASX Clear

| As at 30 June                    | 2022<br>\$m  | 2021<br>\$m  |
|----------------------------------|--------------|--------------|
| Restricted capital               | 71.5         | 71.5         |
| Equity provided by the Group     | 178.5        | 178.5        |
| <b>Paid-in resources</b>         | <b>250.0</b> | <b>250.0</b> |
| Recovery assessments             | 300.0        | 300.0        |
| <b>Total financial resources</b> | <b>550.0</b> | <b>550.0</b> |

The financial resources at 30 June 2022 available to ASX Clear in the event of a participant default would be applied in the following order:

1. Collateral and other margins lodged by the defaulting participant
2. Restricted capital reserve of \$71.5 million
3. Equity capital of \$178.5 million
4. Contributions lodged by non-defaulting participants under the ASX Clear operating rules (no contributions were lodged in the current or prior year)
5. Recovery assessments of \$300.0 million which can be levied on participants (no amounts were levied in the current or prior year).

### ASX Clear (Futures)

| As at 30 June                     | 2022<br>\$m  | 2021<br>\$m  |
|-----------------------------------|--------------|--------------|
| Equity provided by the Group      | 120.0        | 120.0        |
| Cash commitments                  | 100.0        | 100.0        |
| Equity provided by the Group      | 150.0        | 150.0        |
| Cash commitments                  | 100.0        | 100.0        |
| Equity provided by the Group      | 180.0        | 180.0        |
| <b>Paid-in resources</b>          | <b>650.0</b> | <b>650.0</b> |
| Recovery assessments <sup>1</sup> | 200.0        | 200.0        |
| <b>Total financial resources</b>  | <b>850.0</b> | <b>850.0</b> |

1. \$200 million for a single default event and up to \$600 million for more than one default event.

The financial resources at 30 June 2022 available to ASX Clear (Futures) in the event of a participant default would be applied in the following order:

1. Collateral and commitments lodged by the defaulting participant
2. Equity capital of \$120.0 million
3. Commitments lodged by non-defaulting participants, totalling \$100.0 million less the defaulting participants' commitments included in item 1 above
4. Equity capital of \$150.0 million
5. Commitments lodged by participants, totalling \$100.0 million
6. Equity capital of \$180.0 million
7. Recovery assessments of \$200.0 million which can be levied on participants (no amounts were levied in the current or prior year).

The order of application with respect to items 3 and 5 above will depend on the market in which the defaulting participant operates. If the defaulting participant is a futures participant, then item 3 will comprise the cash commitments lodged by non-defaulting futures participants and item 5 will comprise the cash commitments lodged by OTC participants. If the defaulting participant is an OTC participant, then item 3 will comprise the cash commitments lodged by non-defaulting OTC participants and item 5 will comprise the cash commitments lodged by futures participants. If the defaulting participant is both a futures and OTC participant, then the non-defaulting participants' commitments are apportioned for items 3 and 5.

# Risk management

## C3 FINANCIAL RISK

The Group's activities expose it to a variety of financial risks including market risk (comprising interest rate, foreign currency and equity price risk), credit risk and liquidity risk.

The Group's overall risk management strategy seeks to manage potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by the Board of Directors. Management monitors investment credit, foreign currency, liquidity and cash flow interest rate risk, and manages clearing default credit risk with counterparties in accordance with approved Board mandates with ongoing reporting to the respective boards.

The Group holds the following financial assets and liabilities by category:

| As at 30 June                                  | Note | 2022<br>\$m     | 2021<br>\$m     |
|------------------------------------------------|------|-----------------|-----------------|
| <b>Financial assets at amortised cost</b>      |      |                 |                 |
| Cash                                           |      | 4,972.2         | 5,357.8         |
| Trade and other receivables                    | E1   | 857.1           | 362.6           |
| Other financial assets at amortised cost       |      |                 |                 |
| – Reverse repurchase agreements                |      | 6,868.0         | 4,728.4         |
| – NCDs                                         |      | 757.0           | 774.5           |
| – P-Notes                                      |      | 1,334.2         | 1,787.5         |
| – T-Notes                                      |      | —               | 275.0           |
| Financial assets at FVTPL                      |      |                 |                 |
| – Non-cash collateral                          | C2   | 525.6           | 458.7           |
| <b>Financial assets at FVTOCI</b>              |      |                 |                 |
| Investments in equity instruments              | D1   | 47.1            | 41.8            |
| <b>Total financial assets</b>                  |      | <b>15,361.2</b> | <b>13,786.3</b> |
| <b>Financial liabilities at amortised cost</b> |      |                 |                 |
| Trade and other payables <sup>1</sup>          | E4   | 803.1           | 325.0           |
| Amounts owing to participants                  | C2   | 13,276.7        | 12,214.8        |
| Lease liabilities                              | E6   | 67.6            | 72.4            |
| <b>Total financial liabilities</b>             |      | <b>14,147.4</b> | <b>12,612.2</b> |

1. Excludes transaction taxes payable which are not financial instruments as they are statutory obligations.

The maximum exposure to credit risk at the end of the reporting period for each class of financial asset, other than amounts owing to participants, is the carrying amount as detailed in the previous table. If the financial asset is attributed to participants' collateral, the maximum credit exposure to ASX is \$75.0 million per counterparty. However, if it is attributed to ASX's own financial resources, the maximum credit exposure is the carrying amount of the financial asset.

Financial liabilities and financial assets, other than trade receivables without a significant financing component, are initially measured at fair value. This includes transaction costs that are directly attributable to the acquisition of the asset or issue of the liability for financial assets and liabilities not at FVTPL. Financial liabilities are subsequently measured at amortised cost while financial assets are subsequently measured in accordance with one of the following categories.

**Amortised cost:** this includes financial assets managed under a business model to hold the assets in order to collect the contractual cash flows (CCFs) and those cash flows represent solely payments of principal and interest (SPPI). Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are included within administration expense in the statement of profit or loss.

**Fair value through other comprehensive income (FVTOCI):** this includes financial assets managed under a business model to sell the assets and collect the CCFs and those cash flows that represent SPPI. Fair value gains or losses are recognised directly in the asset revaluation reserve in equity. Any cumulative gain or loss recognised in equity is subsequently reclassified to profit or loss on disposal. Interest income from these financial assets is included in interest income using the effective interest rate method. An irrevocable election can also be made to measure certain investments in equity instruments at FVTOCI on initial recognition. In this case, fair value gains or losses are recognised directly in the asset revaluation reserve in equity. Gains or losses are not reclassified to profit or loss on disposal but remain in equity.

**Fair value through profit or loss (FVTPL):** this includes financial assets that do not meet the criteria to be measured at amortised cost or FVTOCI. Any fair value gains or losses are recognised in profit or loss.

Refer to the relevant note for further details of the accounting policies for trade and other receivables, convertible notes and investments in equity instruments.

Reverse repurchase agreements are measured at the amount of the cash consideration paid. The securities purchased under the agreement are not recognised on the balance sheet, as substantially all the risks and rewards of ownership are retained by the counterparty to the agreement.

Interest income comprises interest earned on the Group's own funds, as well as interest earned from the investment of funds lodged by participants as collateral. Interest income is recognised using the effective interest rate method.

Interest expense is recognised as a finance cost in the statement of comprehensive income using the effective interest rate method.

# Risk management

## C3 FINANCIAL RISK CONTINUED

### a) Market risk

Market risk is the risk of loss arising from movements in observable market variables such as interest rates, foreign exchange rates and other market prices.

#### i) Interest rate risk

| Exposure arising from                                                                                         | Risk management                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variable rate cash investments and money market instruments expose the Group to cash flow interest rate risk. | <ul style="list-style-type: none"> <li>The boards of the relevant subsidiaries have set limits with respect to maximum and weighted average maturity and value at risk.</li> <li>Managed by policies that enable the Group to pay a variable rate of interest to participants on the funds held.</li> </ul> |

Interest bearing assets is comprised of the investment of the Group's cash resources (participant collateral lodged in cash and Group funds). Interest bearing liabilities is comprised of cash collateral and commitments lodged by participants and finance leases. Non-cash collateral lodged by participants is non-interest bearing.

The Group's trade and other receivables, investments in equity instruments, and trade and other payables are non-interest bearing so are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate (directly) due to a change in market interest rates.

The following table presents the Group's interest bearing financial assets and liabilities at 30 June:

| As at 30 June                                              | 2022                       |                         |                 | 2021                       |                         |                 |
|------------------------------------------------------------|----------------------------|-------------------------|-----------------|----------------------------|-------------------------|-----------------|
|                                                            | Floating interest rate \$m | Fixed interest rate \$m | Total \$m       | Floating interest rate \$m | Fixed interest rate \$m | Total \$m       |
| <b>Interest bearing financial assets</b>                   |                            |                         |                 |                            |                         |                 |
| Cash                                                       | 4,972.2                    | —                       | 4,972.2         | 5,357.8                    | —                       | 5,357.8         |
| Other financial assets at amortised cost                   | —                          | 8,959.2                 | 8,959.2         | —                          | 7,565.4                 | 7,565.4         |
| <b>Total interest bearing financial assets</b>             | <b>4,972.2</b>             | <b>8,959.2</b>          | <b>13,931.4</b> | <b>5,357.8</b>             | <b>7,565.4</b>          | <b>12,923.2</b> |
| Weighted average interest rate at period end               | 0.87%                      | 0.80%                   |                 | 0.02%                      | 0.05%                   |                 |
| <b>Interest bearing financial liabilities</b>              |                            |                         |                 |                            |                         |                 |
| Amounts owing to participants                              | 13,276.7                   | —                       | 13,276.7        | 12,214.8                   | —                       | 12,214.8        |
| Lease liabilities                                          | —                          | 67.6                    | 67.6            | —                          | 72.4                    | 72.4            |
| <b>Total interest bearing financial liabilities</b>        | <b>13,276.7</b>            | <b>67.6</b>             | <b>13,344.3</b> | <b>12,214.8</b>            | <b>72.4</b>             | <b>12,287.2</b> |
| Weighted average interest rate at period end               | 0.45%                      | 3.93%                   |                 | (0.34%)                    | 4.01%                   |                 |
| <b>Net interest bearing financial (liabilities)/assets</b> | <b>(8,304.5)</b>           | <b>8,891.6</b>          | <b>587.1</b>    | <b>(6,857.0)</b>           | <b>7,493.0</b>          | <b>636.0</b>    |

With respect to the above table:

- Floating interest rate refers to financial instruments where the interest rate is subject to change prior to maturity or repayment – predominantly deposits at call. The floating interest rate of 0.45% (2021: (0.34%)) for interest bearing financial liabilities represents the net of the interest paid and the Futures Client charge revenue on participant balances.
- Fixed interest rate refers to financial instruments where the interest rate is fixed up to maturity – predominantly NCDs, P-Notes, T-Notes, reverse repurchase agreements and finance leases. The fixed interest rate of 3.93% (2021: 4.01%) for interest bearing financial liabilities represents the weighted average incremental borrowing rate applied for evaluating the present value of leases under AASB 16 *Leases*. The range of interest rates applied on the Group's leases is between 2.16% and 4.30% (2021: 3.10% to 4.30%). Refer to note E6 for additional details on accounting treatment and policy.

#### Sensitivity analysis (net of tax)

Changes in interest rates affect the Group's profit or loss due to higher/lower interest income earned on its cash and other financial assets at amortised cost and higher/lower interest paid to clearing participants.

An analysis of this sensitivity and its impact on the Group's profit or loss and equity net of tax for the year is provided in the following table. The analysis is based on a hypothetical 25 basis point change in interest rates at 30 June, and has been applied to the interest rate risk exposures that exist at that date. All other variables have been held constant.

|                                          | 2022<br>Impact<br>on profit<br>\$m | 2021<br>Impact<br>on profit<br>\$m |
|------------------------------------------|------------------------------------|------------------------------------|
| +25 basis point change in interest rates | 2.0                                | 1.9                                |
| -25 basis point change in interest rates | (2.0)                              | (1.9)                              |

# Risk management

## C3 FINANCIAL RISK CONTINUED

Changes in interest rates affect the Group's profit or loss due to interest income earned on the Group's own cash resources and treasury earnings on clearing participants' balances, offset by interest paid to clearing participants on margins lodged.

### ii) Foreign currency risk

| Exposure arising from                                                                                               | Risk management                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cash flow commitments in foreign currencies entered into by the Group.                                              | – Where the Group enters into material cash flow commitments in foreign currencies, its policy is to enter into hedging arrangements to mitigate the exchange risk where possible.                                                                                              |
| Collateral on clearing participants' derivatives exposures lodged in foreign currency and held by the Group's CCPs. | – The collateral held in foreign currency is offset by an equal payable in the same currency to the participant, which reduces foreign currency risk in the normal course of business. Where non-matching currency is lodged as collateral, a discount is applied to its value. |

The majority of the Group's net foreign currency risk is associated with foreign denominated cash, net interest income and exchange fees receivable. Such exposure is converted to AUD on a regular basis. Investments in equity instruments denominated in USD are subject to foreign currency risk, impacting their carrying value.

The following table shows the Group's material exposure on its balance sheet to foreign currency risk at the end of the year, expressed in AUD.

|                                          | 2022       |             | 2021       |             |
|------------------------------------------|------------|-------------|------------|-------------|
|                                          | NZD \$m    | USD \$m     | NZD \$m    | USD \$m     |
| <b>As at 30 June</b>                     |            |             |            |             |
| <b>Financial assets</b>                  |            |             |            |             |
| Cash                                     | 467.2      | 28.1        | 188.6      | 45.8        |
| Trade and other receivables              | 0.1        | –           | 0.8        | –           |
| Other financial assets at amortised cost | –          | –           | 48.1       | –           |
| Investment in equity instruments         | –          | 34.7        | –          | 31.8        |
| <b>Financial liabilities</b>             |            |             |            |             |
| Amounts owing to participants            | 462.9      | 27.9        | 233.6      | 44.0        |
| <b>Net exposure</b>                      | <b>4.4</b> | <b>34.9</b> | <b>3.9</b> | <b>33.6</b> |
| Exchange rate for conversion AUD 1:      | 1.1055     | 0.6903      | 1.0744     | 0.7512      |

### Sensitivity analysis (net of tax)

Changes in exchange rates affect the Group's profit or loss due to the gain/loss recognised on translation of foreign currency denominated financial assets, other than financial assets at FVTOCI and all foreign currency denominated financial liabilities at balance date. Equity is mainly affected due to the valuation of foreign currency equity investments.

An analysis of this sensitivity and its impact on the Group's profit or loss and equity net of tax for the year is provided in the following table. The analysis is based on a hypothetical 10% change in the market exchange rate of the AUD against other currencies at 30 June, and has been applied to the foreign currency risk exposures that exist at that date. All other variables, including interest rates, have been held constant. The impact is expressed in AUD.

|                           | 2022                 |                      | 2021                 |                      |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
|                           | Impact on profit \$m | Impact on equity \$m | Impact on profit \$m | Impact on equity \$m |
| +10% strengthening of AUD | (0.3)                | (2.5)                | (0.5)                | (2.3)                |
| -10% weakening of AUD     | 0.3                  | 2.5                  | 0.5                  | 2.3                  |

### iii) Price risk

| Exposure arising from                                                                                    | Risk management                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other price movements associated with underlying equities and derivatives on trades novated to the CCPs. | Under normal circumstances, this risk is minimal as the trades are matched. However, price movements may impact on credit risk associated with participant obligations (as discussed in the following section). |

# Risk management

## C3 FINANCIAL RISK CONTINUED

### b) Credit risk

| Exposure arising from                                                                                                                                                                                                                                                                                                                                                                                           | Risk management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Through its CCP activities, the Group is exposed to the potential loss that may arise from the failure of a counterparty to meet its obligations or commitments. The obligations mainly relate to T+2 settlement risk for cash market trades and daily mark-to-market movements on open derivative positions. Failure of clearing participants to meet these obligations exposes the Group to potential losses. | <ul style="list-style-type: none"> <li>– Clearing participant membership requirements and admission standards, including minimum capital requirements.</li> <li>– Participant surveillance, including capital monitoring.</li> <li>– Daily and intraday counterparty credit risk control, including margining and collateral management.</li> <li>– Position limits based on the capital of the participant.</li> <li>– Financial resource adequacy, including fixed capital and stress-testing of clearing participants' exposure limits against the amount and liquidity of variable and fixed financial resources available.</li> <li>– Operating rules that deal with recovery and resolution of losses in the event of a clearing participant default. Refer to note C2(c).</li> <li>– Initial margin calls outside of Australian business hours.</li> </ul> |
| Investment counterparty credit risk arises on certain financial assets including cash, other financial assets at amortised cost and trade and other receivables.                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>– Board policies that limit the amount of credit exposure and concentration to any one counterparty, as well as minimum credit ratings for counterparties. Investments are limited to non-derivative assets.</li> <li>– Investment loss rules that address the allocation of losses between the Group and clearing participants.</li> <li>– Active debt collection procedures and regular review of trade receivables ageing.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                   |

The Group's ongoing monitoring of participants' market positions and exposures, coupled with daily margining and collateral management, including possible intraday and additional margin calls, enable it to manage its central issuer credit risk and meet its regulatory obligations. Further information on the resources available to the CCPs in the event of a participant default is shown in note C2.

S&P credit ratings are used in determining the credit quality of the counterparty/issuer with whom cash and other financial assets at amortised cost are secured.

Counterparties are limited to the Commonwealth of Australia, Australian state governments and banks, and foreign governments and banks with a minimum short-term credit rating of A2. The Group's largest single exposure at the end of the current and prior reporting period was the Commonwealth of Australia. The risk ratings of the counterparties that the Group has exposure to at the end of the period are shown in the following table.

|                                                       | 2022           |              |                | 2021           |              |                |
|-------------------------------------------------------|----------------|--------------|----------------|----------------|--------------|----------------|
|                                                       | A-1+<br>\$m    | A-1<br>\$m   | Total<br>\$m   | A-1+<br>\$m    | A-1<br>\$m   | Total<br>\$m   |
| <b>As at 30 June</b>                                  |                |              |                |                |              |                |
| Cash at bank and on hand                              | 4,585.4        | 0.1          | 4,585.5        | 4,926.9        | 41.2         | 4,968.1        |
| Overnight cash deposits                               | 214.6          | 172.1        | 386.7          | 182.3          | 207.4        | 389.7          |
| <b>Total cash</b>                                     | <b>4,800.0</b> | <b>172.2</b> | <b>4,972.2</b> | <b>5,109.2</b> | <b>248.6</b> | <b>5,357.8</b> |
| Reverse repurchase agreements <sup>1</sup>            | 6,868.0        | —            | 6,868.0        | 4,728.4        | —            | 4,728.4        |
| NCDs                                                  | 361.3          | 395.7        | 757.0          | 474.8          | 299.7        | 774.5          |
| P-Notes                                               | 1,334.2        | —            | 1,334.2        | 1,787.5        | —            | 1,787.5        |
| T-Notes                                               | —              | —            | —              | 275.0          | —            | 275.0          |
| <b>Total other financial assets at amortised cost</b> | <b>8,563.5</b> | <b>395.7</b> | <b>8,959.2</b> | <b>7,265.7</b> | <b>299.7</b> | <b>7,565.4</b> |
| Bonds (lodged by participants)                        | 525.6          | —            | 525.6          | 458.7          | —            | 458.7          |
| <b>Total financial assets at FVTPL</b>                | <b>525.6</b>   | <b>—</b>     | <b>525.6</b>   | <b>458.7</b>   | <b>—</b>     | <b>458.7</b>   |

1. Reverse repurchase agreements are collateralised by Commonwealth, foreign government or Australian state government securities.

The Group uses other measures to monitor the credit of other financial assets, which include trade and other receivables, margins receivable from participants, accrued revenue, interest receivable and investments in equity instruments. Intercompany receivables consist of balances owing between the entities of the Group and are eliminated on consolidation. The parent entity considers the credit risk on these balances to be low. The maximum exposure to credit risk for these financial assets is the carrying value as at reporting date.

# Risk management

## C3 FINANCIAL RISK CONTINUED

### i) Impairment of financial assets

The Group has the following financial assets that are subject to impairment:

- Trade and other receivables (Refer to note E1)
- Other financial assets at amortised cost.

#### Cash and other receivables

Other receivables includes margins receivable, accrued revenue, interest receivable and other debtors. A default event in relation to margin obligations is defined in the ASX Clear and ASX Clear (Futures) operating rules. No loss allowance has been recognised for cash and other receivables as the assessed amount is immaterial.

#### Other financial assets at amortised cost

The ECL model for the Group's debt and money market instruments is based on the probability of default, loss given default and the Group's exposure to the counterparty. The probability of default is based on historical default rates and has been sourced from an external study of global corporate defaults by S&P. These rates have been adjusted for the loss given default to calculate the ECL rate.

The following tables show the gross carrying amounts of the other financial assets at amortised cost and the ECL rates that have been applied to determine the carrying amount net of the ECL allowance.

#### As at 30 June 2022

| S&P long-term credit rating | ECL rate | Gross carrying amount \$m | ECL allowance \$m | Net carrying amount \$m |
|-----------------------------|----------|---------------------------|-------------------|-------------------------|
| AAA                         | —        | 7,302.5                   | —                 | 7,302.5                 |
| AA+                         | —        | 899.8                     | —                 | 899.8                   |
| AA                          | 0.02%    | —                         | —                 | —                       |
| AA-                         | 0.03%    | 361.4                     | (0.1)             | 361.3                   |
| A+                          | 0.05%    | 149.6                     | (0.1)             | 149.5                   |
| A                           | 0.05%    | 246.3                     | (0.2)             | 246.1                   |
|                             |          | <b>8,959.6</b>            | <b>(0.4)</b>      | <b>8,959.2</b>          |

#### As at 30 June 2021

| S&P long-term credit rating | ECL rate | Gross carrying amount \$m | ECL allowance \$m | Net carrying amount \$m |
|-----------------------------|----------|---------------------------|-------------------|-------------------------|
| AAA                         | —        | 4,955.4                   | —                 | 4,955.4                 |
| AA+                         | —        | 1,635.6                   | —                 | 1,635.6                 |
| AA                          | 0.02%    | 200.0                     | —                 | 200.0                   |
| AA-                         | 0.03%    | 474.9                     | (0.1)             | 474.8                   |
| A+                          | 0.05%    | 149.9                     | (0.1)             | 149.8                   |
| A                           | 0.05%    | 150.0                     | (0.2)             | 149.8                   |
|                             |          | <b>7,565.8</b>            | <b>(0.4)</b>      | <b>7,565.4</b>          |

The ECL rates have been applied to the gross carrying values of the Group's debt and money market instruments held at amortised cost as at 30 June. There were no material movements in the loss allowance for the current or prior years. A reconciliation of the loss allowance is provided in the following table.

| For the year ended 30 June                                                         | 2022 \$m | 2021 \$m |
|------------------------------------------------------------------------------------|----------|----------|
| Opening balance                                                                    | 0.4      | 0.4      |
| Increase/(decrease) in loss allowance recognised in profit or loss during the year | —        | —        |
| Closing balance                                                                    | 0.4      | 0.4      |

There were no significant changes to estimation techniques or assumptions made during the reporting period.

The debt and money market instruments are all considered to have low credit risk at the reporting date as all counterparties have an S&P long-term credit rating of A or higher. The credit risk for these financial assets has not increased significantly since the prior year and the impairment allowance is measured at an amount equal to 12-month expected credit losses.

# Risk management

## C3 FINANCIAL RISK CONTINUED

### Impairment

The Group recognises a loss allowance on financial assets at amortised cost using a three stage approach as described in the below table.

| Stage   | Credit risk                                       | Recognition of ECL |
|---------|---------------------------------------------------|--------------------|
| Stage 1 | No significant increase since initial recognition | 12 month ECLs      |
| Stage 2 | Significant increase since initial recognition    | Lifetime ECLs      |
| Stage 3 | Asset is credit impaired                          | Lifetime ECLs      |

A simplified approach for measuring the loss allowance is applied for trade receivables where the lifetime ECLs are recognised. Loss rates for trade receivables are determined based on historical loss rates over a four-year period and are adjusted for current and forward looking macroeconomic factors that may affect the customers' ability to settle the receivable.

Assets are credit impaired when there is objective evidence that the Group will not be able to collect all of the original amounts due.

The collectability of trade receivables is reviewed on a regular basis. Debts known to be uncollectable are written off by reducing the carrying amount directly. Other financial assets are written off when there is no reasonable expectation of recovery. Indicators that this may be the case include the debtor entering bankruptcy or failure to enter into a payment plan.

Impairment losses are recognised in the statement of comprehensive income in administration expenses.

### c) Liquidity risk

#### Exposure arising from

#### Risk management

Margins to cover derivatives and cash market exposures are settled with participants and invested in the short-term money market on a daily basis. The investment of these balances requires strict management to provide sufficient liquidity for the routine daily margin settlement.

- The Board has implemented policies that specify liquidity requirements, based on whether assets can be liquidated and converted to cash on a same-day basis, including maximum average maturity limits. Instruments that are eligible for repurchase agreements with the Reserve Bank of Australia are treated as liquid.
- Forward planning and forecasting of liquidity requirements.

The expected undiscounted contractual cash flows of the Group's financial assets and liabilities are shown in the following table. All other financial assets at amortised cost are eligible for repurchase in the secondary market. All financial assets and liabilities are non-derivative.

The values on the balance sheet may differ to the assets and liabilities in the following table due to the difference in fair value at balance date compared to the contractual cash flows up to maturity.

| As at 30 June 2022                       | Up to<br>1 month<br>\$m | >1 month<br>to 3 months<br>\$m | >3 months<br>to 1 year<br>\$m | >1 year<br>\$m | No specific<br>maturity<br>\$m | Total<br>\$m    |
|------------------------------------------|-------------------------|--------------------------------|-------------------------------|----------------|--------------------------------|-----------------|
| <b>Financial assets</b>                  |                         |                                |                               |                |                                |                 |
| Cash                                     | 4,972.2                 | —                              | —                             | —              | —                              | 4,972.2         |
| Other financial assets at amortised cost | 7,500.1                 | 783.0                          | 680.0                         | —              | —                              | 8,963.1         |
| Financial assets at FVTPL                | 525.6                   | —                              | —                             | —              | —                              | 525.6           |
| Trade and other receivables              | 853.1                   | 1.1                            | 2.9                           | —              | —                              | 857.1           |
| Investments in equity instruments        | —                       | —                              | —                             | —              | 47.1                           | 47.1            |
| <b>Total financial assets</b>            | <b>13,851.0</b>         | <b>784.1</b>                   | <b>682.9</b>                  | <b>—</b>       | <b>47.1</b>                    | <b>15,365.1</b> |
| <b>Financial liabilities</b>             |                         |                                |                               |                |                                |                 |
| Trade and other payables                 | 789.0                   | 3.8                            | 9.3                           | —              | 1.0                            | 803.1           |
| Amounts owing to participants            | 13,076.7                | —                              | —                             | —              | 200.0                          | 13,276.7        |
| Lease liabilities                        | 1.1                     | 2.2                            | 9.8                           | 65.1           | —                              | 78.2            |
| <b>Total financial liabilities</b>       | <b>13,866.8</b>         | <b>6.0</b>                     | <b>19.1</b>                   | <b>65.1</b>    | <b>201.0</b>                   | <b>14,158.0</b> |
| <b>Commitments</b>                       |                         |                                |                               |                |                                |                 |
| Capital and operating commitments        | 8.1                     | 3.6                            | 19.2                          | 53.4           | —                              | 84.3            |
| <b>Total commitments</b>                 | <b>8.1</b>              | <b>3.6</b>                     | <b>19.2</b>                   | <b>53.4</b>    | <b>—</b>                       | <b>84.3</b>     |

# Risk management

## C3 FINANCIAL RISK CONTINUED

| As at 30 June 2021                       | Up to<br>1 month<br>\$m | >1 month<br>to 3 months<br>\$m | >3 months<br>to 1 year<br>\$m | >1 year<br>\$m | No specific<br>maturity<br>\$m | Total<br>\$m    |
|------------------------------------------|-------------------------|--------------------------------|-------------------------------|----------------|--------------------------------|-----------------|
| <b>Financial assets</b>                  |                         |                                |                               |                |                                |                 |
| Cash                                     | 5,357.8                 | —                              | —                             | —              | —                              | 5,357.8         |
| Other financial assets at amortised cost | 5,456.2                 | 955.3                          | 1,155.0                       | —              | —                              | 7,566.5         |
| Financial assets at FVTPL                | 458.7                   | —                              | —                             | —              | —                              | 458.7           |
| Trade and other receivables              | 355.6                   | 1.9                            | 5.1                           | —              | —                              | 362.6           |
| Investments in equity instruments        | —                       | —                              | —                             | —              | 41.8                           | 41.8            |
| <b>Total financial assets</b>            | <b>11,628.3</b>         | <b>957.2</b>                   | <b>1,160.1</b>                | <b>—</b>       | <b>41.8</b>                    | <b>13,787.4</b> |
| <b>Financial liabilities</b>             |                         |                                |                               |                |                                |                 |
| Trade and other payables                 | 306.0                   | 7.8                            | 10.3                          | —              | 0.9                            | 325.0           |
| Amounts owing to participants            | 12,014.8                | —                              | —                             | —              | 200.0                          | 12,214.8        |
| Lease liabilities                        | 1.0                     | 2.2                            | 9.3                           | 73.1           | —                              | 85.6            |
| <b>Total financial liabilities</b>       | <b>12,321.8</b>         | <b>10.0</b>                    | <b>19.6</b>                   | <b>73.1</b>    | <b>200.9</b>                   | <b>12,625.4</b> |
| <b>Commitments</b>                       |                         |                                |                               |                |                                |                 |
| Capital and operating commitments        | 7.5                     | 3.1                            | 17.7                          | 53.9           | —                              | 82.2            |
| <b>Total commitments</b>                 | <b>7.5</b>              | <b>3.1</b>                     | <b>17.7</b>                   | <b>53.9</b>    | <b>—</b>                       | <b>82.2</b>     |

While amounts owing to participants may have contractual cash flows greater than one month, they have been classified as having maturities up to one month on the basis of the shortest possible obligation for repayment.

### d) Fair value measurements

#### ij) Financial instruments at fair value

The following table presents the Group's financial assets measured at fair value at 30 June. The Group does not have any financial liabilities measured at fair value.

| As at 30 June                     | 2022           |                |                |              | 2021           |                |                |              |
|-----------------------------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|
|                                   | Level 1<br>\$m | Level 2<br>\$m | Level 3<br>\$m | Total<br>\$m | Level 1<br>\$m | Level 2<br>\$m | Level 3<br>\$m | Total<br>\$m |
| <b>Financial assets</b>           |                |                |                |              |                |                |                |              |
| Investments in equity instruments | —              | —              | 47.1           | 47.1         | —              | —              | 41.8           | 41.8         |
| Financial assets at FVTPL         | 463.8          | 61.8           | —              | 525.6        | 399.7          | 59.0           | —              | 458.7        |
| <b>Total financial assets</b>     | <b>463.8</b>   | <b>61.8</b>    | <b>47.1</b>    | <b>572.7</b> | <b>399.7</b>   | <b>59.0</b>    | <b>41.8</b>    | <b>500.5</b> |

There were no transfers between levels for recurring measurements during the year. The Group did not measure any financial assets at fair value on a non-recurring basis at 30 June in the current or prior year.

The classification of financial instruments within the fair value hierarchy and the valuation techniques used to determine their values are detailed below.

#### Level 1

Level 1 inputs are unadjusted quoted prices in active markets at the measurement date for identical assets and liabilities. Financial instruments included in this category are Australian Government bonds. The fair value of Australian Government bonds are determined by reference to readily observable quoted prices for identical assets in active markets.

#### Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments included in this category include semi-government bonds as their fair values are determined using observable market prices for identical assets that were not actively traded.

#### Level 3

Level 3 inputs are based on unobservable market data. The fair values of the Group's unlisted equity investment and convertible note at FVTPL are determined using unobservable inputs and therefore are classified as Level 3 instruments.

# Risk management

## C3 FINANCIAL RISK CONTINUED

### ii) Financial instruments at amortised cost

The Group has a number of financial instruments which are not measured at fair value on the balance sheet. The carrying amounts of current trade and other receivables, cash, term deposits, reverse repurchase agreements, current trade and other payables, and current amounts owing to participants are assumed to approximate their fair value due to their short-term nature. The carrying amount of non-current amounts owing to participants approximates their fair value as the impact of discounting is not significant.

### iii) Level 3 fair value instruments

The following table presents the changes in Level 3 fair value instruments during the year:

|                                                    | 2022<br>\$m | 2021<br>\$m |
|----------------------------------------------------|-------------|-------------|
| <b>Investment in unlisted entities<sup>1</sup></b> |             |             |
| Opening balance                                    | 41.8        | 45.1        |
| Additions                                          | 2.5         | 12.8        |
| Price revaluation:                                 |             |             |
| – Recognised in equity                             | —           | (8.2)       |
| – Recognised in deferred tax                       | —           | (3.5)       |
| FX revaluation gain/(loss):                        |             |             |
| – Recognised in equity                             | 2.0         | (3.1)       |
| – Recognised in deferred tax                       | 0.8         | (1.3)       |
| <b>Closing balance</b>                             | <b>47.1</b> | <b>41.8</b> |

1. The revaluation gain/(loss), net of tax, has been recognised within the asset revaluation reserve. Refer to note D1 for further details.

The investment in Digital Asset Holdings (DA) is classified as a Level 3 fair value instrument as it is an unlisted entity, valued using unobservable inputs. The fair value of ASX's investment in DA as at 30 June 2022 has been determined with reference to the share price from DA's latest equity fund raising, recent transactions in DA's units and forward revenue trading multiples. A reasonable possible change in these inputs would not result in a material fair value gain or loss in other comprehensive income.

### e) Enforceable netting arrangements

There are no financial assets and financial liabilities recognised on a net basis. In the event that a clearing participant defaults and ASX assumes open positions under novation, ASX's policy is to recognise the net open positions where it has the right to offset exposures.

In the event that a clearing participant defaults, ASX may utilise collateral and commitments lodged by that participant to offset net losses realised from the close-out of positions. While ASX has the right to offset this collateral from the open position, its policy is to only offset following the close-out. The aggregate amount of collateral and commitments lodged by participants at 30 June 2022 was \$13,276.7 million (2021: \$12,214.8 million). Refer to note C2(b) for further details.

### f) ASX Group funds

Total funds available for the Group to invest comprises of the following:

| As at 30 June                            | 2022<br>\$m     | 2021<br>\$m     |
|------------------------------------------|-----------------|-----------------|
| ASX Group funds                          | 1,180.3         | 1,167.1         |
| Participants' margins and commitments    | 13,276.7        | 12,214.8        |
| Less: non-cash collateral                | (525.6)         | (458.7)         |
| <b>Total</b>                             | <b>13,931.4</b> | <b>12,923.2</b> |
| Cash                                     | 4,972.2         | 5,357.8         |
| Other financial assets at amortised cost | 8,959.2         | 7,565.4         |
| <b>Total</b>                             | <b>13,931.4</b> | <b>12,923.2</b> |

# Investments

## D1 INVESTMENTS IN EQUITY INSTRUMENTS

| As at 30 June                                  | Investment held |           | Carrying amount |             |
|------------------------------------------------|-----------------|-----------|-----------------|-------------|
|                                                | 2022<br>%       | 2021<br>% | 2022<br>\$m     | 2021<br>\$m |
| Digital Asset Holdings                         | 5.4             | 5.6       | 34.6            | 31.8        |
| Grow Inc                                       | 10.1            | 9.8       | 12.5            | 10.0        |
| <b>Total investments in equity instruments</b> |                 |           | <b>47.1</b>     | <b>41.8</b> |

### a) Digital Asset Holdings (DA)

Digital Asset Holdings (DA) specialises in developer tools and smart contract applications with its own purpose built programming language which can be used in conjunction with distributed ledgers and traditional databases. DA is working with ASX as part of the CHES replacement project.

### b) Grow Inc

Grow Inc (DSMJ Pty Ltd) develops key infrastructure for superannuation funds to add a secure, digitally signed layer to their existing member sub-register via the implementation of a distributed ledger technology (DLT) application platform. This investment supports the Group's strategy to drive efficiency in financial services using DLT.

No dividends were received during the current or prior year. Refer to note C3(d)(iii) for details of the movement in the fair value in the current and prior year.

The investments in equity instruments have been designated at FVTOCI on initial recognition. The election to measure the investments at FVTOCI rather than FVTPL has been made because the Group considers this to be more relevant as they are held for strategic purposes.

The investments are initially recognised at fair value, being the consideration given plus transaction costs that are directly attributable to acquiring the asset. After initial recognition, they continue to be measured at fair value and any fair value gains or losses are recognised directly in the asset revaluation reserve in equity. Any gains or losses on disposal remain within equity.

The fair value of investments in unlisted entities is determined by reference to unobservable market data at balance date. Refer to note C3(d)(iii).

Dividend income is recognised when the right to receive the dividend has been established.

### Key judgements

The Group has applied judgement in determining if it has significant influence or control over the investees and has concluded that it does not have significant influence over any of its investees, as it holds less than 20% of the voting power and does not have the power to participate in financial and operating policy decisions.

## D2 EQUITY ACCOUNTED INVESTMENTS

The Group has interests in the following associate and joint venture as at 30 June:

| Name of entity                        | Nature of relationship | Ownership interest |           | Carrying amount |             |
|---------------------------------------|------------------------|--------------------|-----------|-----------------|-------------|
|                                       |                        | 2022<br>%          | 2021<br>% | 2022<br>\$      | 2021<br>\$  |
| Yieldbroker Pty Limited (Yieldbroker) | Associate              | 44.7               | 44.3      | 29.8            | 31.4        |
| Sympli Australia Pty Ltd (Sympli)     | Joint venture          | 49.4               | 49.5      | 20.7            | 14.4        |
|                                       |                        |                    |           | <b>50.5</b>     | <b>45.8</b> |

The country of incorporation and principal place of business for both entities is Australia. Both Yieldbroker and Sympli are private entities and therefore quoted market prices are not available.

Yieldbroker operates licensed electronic markets for trading Australian and New Zealand debt securities and interest rate derivatives.

Sympli intends to offer electronic conveyancing solutions for property settlements, known as an Electronic Lodgment Network Operator (ELNO).

The following table shows ASX's aggregated interests in equity accounted investments.

| For the year ended 30 June      | 2022<br>\$m   | 2021<br>\$m  |
|---------------------------------|---------------|--------------|
| Share of net (loss)             | (13.9)        | (5.9)        |
| <b>Total comprehensive loss</b> | <b>(13.9)</b> | <b>(5.9)</b> |

# Investments

## D2 EQUITY ACCOUNTED INVESTMENTS CONTINUED

Associates are entities over which the Group has significant influence but not control.

Joint ventures are arrangements in which the Group and another party have joint control and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method. The investments are initially recognised at cost and the carrying value is subsequently adjusted to recognise the Group's share of the investee's post-acquisition profit or loss and movement in other comprehensive income. This is recognised in the Group's profit and loss and comprehensive income respectively. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of each equity accounted investment is tested for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment include a significant or prolonged decline in the fair value of the investment below its cost. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the statement of comprehensive income. The recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use, and is assessed at the end of each reporting period.

### Key judgements

The Group has applied judgement in determining if it has significant influence, control or joint control of the investees. Through its appointment of two directors to the Board of Yieldbroker, ASX participates in the financial and operating policy decisions of the investee. It also holds more than 20% of the voting rights so it is presumed that ASX has significant influence over the investee. The Group, however, does not have the power to unilaterally direct these decisions to affect the returns of the investee, so does not have control of the investee. The investment in Yieldbroker has therefore been classified as an interest in an associate.

The arrangement in relation to Sympli requires unanimous consent from both parties about relevant activities. As ASX has joint control over Sympli and has rights to the net assets of the arrangement, the investment has been classified as a joint venture.

### Impairment

Yieldbroker has been tested for impairment at the reporting date based on value-in-use calculations using projected future cash flows. The pre-tax discount rate used for testing Yieldbroker was 13.9% (12.0% post-tax discount rate) and the growth rate used to extrapolate cash flow projections beyond five years was 3.5%.

No impairment was recognised in the current year or prior year for Yieldbroker.

Sympli has been assessed for impairment at the reporting date. No impairment was recognised for Sympli in the current or prior year.

# Other balance sheet assets and liabilities

## E1 TRADE AND OTHER RECEIVABLES

| As at 30 June                            | 2022<br>\$m  | 2021<br>\$m  |
|------------------------------------------|--------------|--------------|
| <b>Current</b>                           |              |              |
| Trade receivables                        | 123.1        | 99.0         |
| Margins receivable <sup>1</sup>          | 721.5        | 253.1        |
| Accrued revenue                          | 4.1          | 5.7          |
| Interest receivable                      | 4.0          | 0.2          |
| Other debtors                            | 4.8          | 5.1          |
| Less: loss allowance                     | (0.4)        | (0.5)        |
| <b>Total trade and other receivables</b> | <b>857.1</b> | <b>362.6</b> |

1. The movement reflects the material changes in margin requirements as a result of the movement in the underlying positions of relevant clearing participants on the last trading day of the reporting period. These were settled the following business day.

### Expected credit losses (ECL)

The Group has used the simplified approach for measuring expected credit losses for trade receivables whereby the lifetime ECL is recognised. To measure the loss allowance, the receivables have been grouped based on the number of days overdue. ECL rates have been determined for each group based on historical credit losses. These historical rates are adjusted to reflect current and forward looking information on macroeconomic factors that affect the ability of customers to settle the receivables. These rates have been applied to the gross carrying value of trade receivables to calculate the loss allowance. Where this calculation results in an immaterial amount, no loss allowance is recognised. A loss allowance is also recognised for any debtors individually identified as being credit impaired.

The following table shows the aged analysis for gross trade receivables of the Group.

| As at 30 June             | 2022<br>\$m  | 2021<br>\$m |
|---------------------------|--------------|-------------|
| Not past due              | 115.8        | 96.0        |
| Past due 0-30 days        | 2.9          | 1.0         |
| Past due 31-60 days       | 0.7          | 0.4         |
| Past due 61-90 days       | 1.1          | 0.8         |
| Past due 91 days and over | 2.6          | 0.8         |
| <b>Trade receivables</b>  | <b>123.1</b> | <b>99.0</b> |

As at 30 June 2022, the Group provided \$0.4 million (2021: \$0.5 million) for trade receivables that were identified as being impaired.

The Group recognised \$0.3 million (2021: \$0.2 million) of impairment loss in profit or loss during the year.

The movement in the loss allowance for trade receivables is as follows:

| For the year ended 30 June                                              | 2022<br>\$m  | 2021<br>\$m  |
|-------------------------------------------------------------------------|--------------|--------------|
| <b>Opening loss allowance at 1 July</b>                                 | <b>(0.5)</b> | <b>(0.7)</b> |
| Increase in loss allowance recognised in profit or loss during the year | (2.3)        | (1.0)        |
| Amounts written off during the year                                     | 0.4          | 0.4          |
| Loss allowance subsequently reversed                                    | 2.0          | 0.8          |
| <b>Closing balance at 30 June</b>                                       | <b>(0.4)</b> | <b>(0.5)</b> |

Trade receivables, which generally have terms of 30 days, are initially recognised at their transaction price and subsequently measured at amortised cost using the effective interest method, less any loss allowance.

Margins receivable represents collateral receivable from clearing participants on cash markets and derivative positions held at the end of the day, and are received on the next business day. The amounts include the movement in the fair value of derivative positions and are recognised on trade date. A corresponding margins payable is recognised and disclosed within trade and other payables.

# Other balance sheet assets and liabilities

## E2 INTANGIBLE ASSETS

The movements in the intangible asset balances are as follows:

| For the year ended 30 June                   | 2022            |                        |                          |                 |                | 2021            |                        |                          |                 |                |
|----------------------------------------------|-----------------|------------------------|--------------------------|-----------------|----------------|-----------------|------------------------|--------------------------|-----------------|----------------|
|                                              | Software<br>\$m | Trade-<br>marks<br>\$m | Customer<br>lists<br>\$m | Goodwill<br>\$m | Total<br>\$m   | Software<br>\$m | Trade-<br>marks<br>\$m | Customer<br>lists<br>\$m | Goodwill<br>\$m | Total<br>\$m   |
| <b>Opening balance</b>                       |                 |                        |                          |                 |                |                 |                        |                          |                 |                |
| Cost                                         | 539.7           | 7.9                    | 1.2                      | 2,317.6         | 2,866.4        | 442.8           | 7.9                    | 1.2                      | 2,317.6         | 2,769.5        |
| Accumulated amortisation and impairment      | (298.8)         | —                      | (1.1)                    | —               | (299.9)        | (271.9)         | —                      | (0.8)                    | —               | (272.7)        |
| <b>Net book value at 1 July</b>              | <b>240.9</b>    | <b>7.9</b>             | <b>0.1</b>               | <b>2,317.6</b>  | <b>2,566.5</b> | <b>170.9</b>    | <b>7.9</b>             | <b>0.4</b>               | <b>2,317.6</b>  | <b>2,496.8</b> |
| <b>Movement</b>                              |                 |                        |                          |                 |                |                 |                        |                          |                 |                |
| Additions <sup>1</sup>                       | 97.1            | —                      | —                        | —               | 97.1           | 96.9            | —                      | —                        | —               | 96.9           |
| Amortisation expense                         | (26.2)          | —                      | (0.1)                    | —               | (26.3)         | (26.9)          | —                      | (0.3)                    | —               | (27.2)         |
| <b>Net book value at 30 June<sup>2</sup></b> | <b>311.8</b>    | <b>7.9</b>             | <b>—</b>                 | <b>2,317.6</b>  | <b>2,637.3</b> | <b>240.9</b>    | <b>7.9</b>             | <b>0.1</b>               | <b>2,317.6</b>  | <b>2,566.5</b> |
| <b>Closing balance</b>                       |                 |                        |                          |                 |                |                 |                        |                          |                 |                |
| Cost                                         | 636.8           | 7.9                    | 1.2                      | 2,317.6         | 2,963.5        | 539.7           | 7.9                    | 1.2                      | 2,317.6         | 2,866.4        |
| Accumulated amortisation and impairment      | (325.0)         | —                      | (1.2)                    | —               | (326.2)        | (298.8)         | —                      | (1.1)                    | —               | (299.9)        |
| <b>Net book value at 30 June<sup>2</sup></b> | <b>311.8</b>    | <b>7.9</b>             | <b>—</b>                 | <b>2,317.6</b>  | <b>2,637.3</b> | <b>240.9</b>    | <b>7.9</b>             | <b>0.1</b>               | <b>2,317.6</b>  | <b>2,566.5</b> |

1. Primarily relates to internal development costs.

2. The carrying value of intangible assets under development is \$266.8 million (2021: \$179.3 million). The total CHESS replacement project costs capitalised to date is \$216.3 million (2021: \$146.3 million).

### a) Software

There was no impairment expense recognised during the year for software (2021: nil).

Costs incurred in developing products or systems, and acquiring software and licences that will contribute to future benefits, are capitalised at cost and amortised on a straight-line basis over their expected useful lives, from the time the assets are in use. Certain staff costs are capitalised when they can be specifically attributed to software development projects. Software purchased from external vendors is classified as externally acquired and may include capitalised staff costs that have been incurred in the implementation of the software.

Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the cloud-based software for the Group. If this is the case, the costs are recorded as a prepayment for services and amortised over the expected renewable term of the cloud computing arrangement.

Software is subject to amortisation and is reviewed for indicators of impairment at the end of each reporting period or when events or changes in circumstances have arisen that indicate the carrying value may be impaired. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the statement of comprehensive income. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Determining whether the intangibles are impaired requires an estimation of their useful lives, residual values and amortisation method. The effect of any changes will be recognised on a prospective basis.

Intangible assets not yet available for use are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

The estimated useful lives of significant computer software systems is as follows:

|                               |          |
|-------------------------------|----------|
| Trading platforms             | 5 years  |
| Clearing platforms            | 5 years  |
| Depository/registry platforms | 10 years |

# Other balance sheet assets and liabilities

## E2 INTANGIBLE ASSETS CONTINUED

### b) Trademarks and customer lists

There was no impairment expense recognised during the year for trademarks or customer lists (2021: nil).

Trademarks and customer lists have been externally acquired and are measured at cost. Customer lists are amortised on a straight-line basis over their estimated useful life of five years, while the registered trademark has an indefinite useful life and is not amortised. The trademark is assessed for impairment at each reporting date or when there are indicators of impairment.

### c) Goodwill

#### i) Impairment test for goodwill

The Group consists of two cash generating units (CGUs), namely exchange-traded and non exchange-traded. The goodwill attributable to each CGU is as follows:

|                     | 2022                   |                            | 2021                   |                            |
|---------------------|------------------------|----------------------------|------------------------|----------------------------|
|                     | Exchange-traded<br>\$m | Non exchange-traded<br>\$m | Exchange-traded<br>\$m | Non exchange-traded<br>\$m |
| Goodwill allocation | 2,242.2                | 75.4                       | 2,242.2                | 75.4                       |

No impairment charge arose in the current or prior financial year.

#### ii) Key estimates and assumptions used for value-in-use calculations

Management has determined the budgeted operating results based on past performance and expectations for the future. The growth rates used for revenue and expense projections are consistent with, or lower than, historical trends for the CGUs. The key assumptions used in supporting the carrying value of goodwill and intangible assets not yet available for use are as follows:

|                            | 2022                   |                            | 2021                   |                            |
|----------------------------|------------------------|----------------------------|------------------------|----------------------------|
|                            | Exchange-traded<br>\$m | Non exchange-traded<br>\$m | Exchange-traded<br>\$m | Non exchange-traded<br>\$m |
| As at 30 June              |                        |                            |                        |                            |
| Pre-tax discount rate (%)  | 11.1%                  | 11.1%                      | 11.1%                  | 11.1%                      |
| Post-tax discount rate (%) | 8.1%                   | 8.1%                       | 8.1%                   | 8.1%                       |
| Terminal growth rate (%)   | 2.0%                   | 2.0%                       | 2.0%                   | 2.0%                       |

There is no reasonably possible change in any key assumptions that management has based its determination of the CGU's recoverable amount on that would result in an impairment charge being recognised.

Goodwill on acquisition is initially measured at cost, being the excess of the consideration paid over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill has an indefinite useful life and as such is not subject to amortisation and is tested semi-annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable CGUs. A CGU includes in its carrying amount an intangible asset that is not yet available for use and that asset is tested for impairment only as part of the CGU. Goodwill is allocated to each of the Group's CGUs that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is tested on an annual basis or semi-annual. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the statement of comprehensive income. The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial estimates reviewed by management covering a five-year period. Cash flows beyond this five-year period are extrapolated using estimated growth rates that do not exceed the long-term average growth rate for the business in which the CGU operates and are consistent with external sources of information.

# Other balance sheet assets and liabilities

## E3 PROPERTY, PLANT AND EQUIPMENT

The movements in the property, plant and equipment asset balances are as follows:

| For the year ended 30 June                   | 2022                          |                            |                           |              | 2021                          |                            |                           |              |
|----------------------------------------------|-------------------------------|----------------------------|---------------------------|--------------|-------------------------------|----------------------------|---------------------------|--------------|
|                                              | Leasehold improvements<br>\$m | Plant and equipment<br>\$m | Computer equipment<br>\$m | Total<br>\$m | Leasehold improvements<br>\$m | Plant and equipment<br>\$m | Computer equipment<br>\$m | Total<br>\$m |
| <b>Opening balance</b>                       |                               |                            |                           |              |                               |                            |                           |              |
| Cost                                         | 32.6                          | 32.4                       | 120.2                     | 185.2        | 32.4                          | 31.2                       | 108.7                     | 172.3        |
| Accumulated depreciation                     | (30.5)                        | (27.3)                     | (69.2)                    | (127.0)      | (28.2)                        | (24.4)                     | (57.6)                    | (110.2)      |
| <b>Net book value at 1 July</b>              | <b>2.1</b>                    | <b>5.1</b>                 | <b>51.0</b>               | <b>58.2</b>  | <b>4.2</b>                    | <b>6.8</b>                 | <b>51.1</b>               | <b>62.1</b>  |
| <b>Movement</b>                              |                               |                            |                           |              |                               |                            |                           |              |
| Additions                                    | 0.1                           | 1.8                        | 6.2                       | 8.1          | 0.2                           | 1.2                        | 11.5                      | 12.9         |
| Net disposals, transfers and other           | —                             | 0.1                        | —                         | 0.1          | —                             | —                          | —                         | —            |
| Depreciation expense                         | (1.5)                         | (1.8)                      | (11.4)                    | (14.7)       | (2.3)                         | (2.9)                      | (11.6)                    | (16.8)       |
| <b>Net book value at 30 June<sup>1</sup></b> | <b>0.7</b>                    | <b>5.2</b>                 | <b>45.8</b>               | <b>51.7</b>  | <b>2.1</b>                    | <b>5.1</b>                 | <b>51.0</b>               | <b>58.2</b>  |
| <b>Closing balance</b>                       |                               |                            |                           |              |                               |                            |                           |              |
| Cost                                         | 32.5                          | 33.5                       | 126.3                     | 192.3        | 32.6                          | 32.4                       | 120.2                     | 185.2        |
| Accumulated depreciation                     | (31.8)                        | (28.3)                     | (80.5)                    | (140.6)      | (30.5)                        | (27.3)                     | (69.2)                    | (127.0)      |
| <b>Net book value at 30 June<sup>1</sup></b> | <b>0.7</b>                    | <b>5.2</b>                 | <b>45.8</b>               | <b>51.7</b>  | <b>2.1</b>                    | <b>5.1</b>                 | <b>51.0</b>               | <b>58.2</b>  |

1. The carrying value of property, plant and equipment under development is \$15.2 million (2021: \$12.4 million).

Property, plant and equipment is measured at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

The cost of improvements to leasehold property is capitalised and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds on disposal with the carrying amount and are included in profit or loss.

Depreciation of assets begins from the time an asset is implemented and available for use. Depreciation is provided on a straight-line basis on all plant and equipment, over their estimated useful lives.

The depreciation periods for each class of asset, for the current and previous years, are as follows:

|                        |                                                   |
|------------------------|---------------------------------------------------|
| Leasehold improvements | The shorter of minimum lease term and useful life |
| Plant and equipment    | 3 – 10 years                                      |
| Computer equipment     | 3 – 5 years                                       |

# Other balance sheet assets and liabilities

## E4 TRADE AND OTHER PAYABLES

| As at 30 June                | 2022<br>\$m  | 2021<br>\$m  |
|------------------------------|--------------|--------------|
| Trade payables               | 9.2          | 6.5          |
| Margins payable <sup>1</sup> | 721.5        | 253.1        |
| Interest payable             | 0.8          | 0.1          |
| Rebates payable              | 14.2         | 13.9         |
| Transaction taxes payable    | 7.4          | 7.0          |
| Employee-related payables    | 20.0         | 17.7         |
| Accrued expenses             | 36.4         | 32.8         |
| Other payables               | 1.0          | 0.9          |
| <b>Total</b>                 | <b>810.5</b> | <b>332.0</b> |

1. The movement reflects the material changes in margin requirements as a result of the movement in the underlying positions of relevant clearing participants on the last trading day of the reporting period. These were settled the following business day.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid.

All trade and other payables are unsecured and usually paid within 30 days of recognition, other than certain rebates and accrued expenses which are typically paid within three months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the reporting date. Refer to the accounting policy in note E1 for details of the margins payable.

Interest payable includes interest owed to participants on cash collateral and commitments lodged. Interest is recognised as a finance cost in the statement of comprehensive income using the effective interest rate method.

Rebates payable represent refund liabilities. Refer to the accounting policies in note B2 for further details of the rebates.

The provisions for employee benefits predominantly relate to annual and long service leave obligations. Premises provisions comprises of make-good provisions.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, that it is probable the obligation will be settled and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

Current employee provisions include liabilities for annual leave and wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These are recognised in respect of employees' services up to the end of the reporting period. Long service leave provisions that the Company does not have an unconditional right to defer for 12 months after the reporting date are recognised as a current provision, regardless of when the actual settlement is expected to occur.

Current employee provisions are measured at the amounts expected to be paid when the liabilities are settled. Non-current employee provisions include long service leave provisions where the Company has an unconditional right to defer settlement for at least 12 months after the reporting period. Non-current employee provisions are not expected to be wholly settled within 12 months after the end of the reporting date, and are therefore measured as the present value of expected future payments.

When determining whether employees qualify or are expected to qualify for the Group's long service leave arrangements, consideration is given to history of employee departures and periods of service. Expected future wage and salary levels are discounted using the rates attached to a basket of comparable liquid corporate bonds at the end of each reporting period, which most closely match the terms to maturity of the related liabilities.

For short-term cash incentives offered to staff, the Group recognises a liability and an expense. A provision is recognised where there is a contractual obligation or where there is past practice that gives clear evidence of the amount of the obligation.

Where short-term incentives are deferred to a future period, the value of the incentives is expensed over the term of the deferral and recognised as a liability. Amounts expected to be wholly settled within 12 months after the end of the reporting date are recognised as current, all others are recognised as non-current.

Make-good obligations are provided for office space under operating leases that require the premises to be returned to the lessor in their original condition. The operating lease payments do not include the make-good payment at the end of the lease term. Provisions for make-good obligations are recognised when the Group becomes party to lease contracts that include make-good clauses.

## E5 PROVISIONS

| As at 30 June       | 2022<br>\$m | 2021<br>\$m |
|---------------------|-------------|-------------|
| <b>Current</b>      |             |             |
| Employee provisions | 21.1        | 19.2        |
| Premises provisions | 0.2         | 0.8         |
| <b>Total</b>        | <b>21.3</b> | <b>20.0</b> |
| <b>Non-current</b>  |             |             |
| Employee provisions | 4.8         | 5.4         |
| Premises provisions | 0.6         | 0.6         |
| <b>Total</b>        | <b>5.4</b>  | <b>6.0</b>  |

The movements in the premises provision are as follows:

| For the year ended 30 June        | 2022<br>\$m | 2021<br>\$m |
|-----------------------------------|-------------|-------------|
| <b>Opening balance at 1 July</b>  | <b>1.4</b>  | <b>1.9</b>  |
| Provisions used during the period | (0.5)       | (0.6)       |
| Unused amounts reversed           | (0.2)       | —           |
| Unwinding of discount             | 0.1         | 0.1         |
| <b>Closing balance at 30 June</b> | <b>0.8</b>  | <b>1.4</b>  |

# Other balance sheet assets and liabilities

## E6 CONTINGENT LIABILITIES

As part of the operations of the business, the Group is subject to various legal actions and claims. The financial loss that might arise from these contingent liabilities cannot be reliably estimated at balance sheet date. The directors are of the view that it is not probable that the claims will result in a significant loss to the Group and as such no provision is required at the balance sheet date.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is not probable or cannot be reliably measured. There are ongoing legal claims and possible claims against the Group and its subsidiaries. Contingent liabilities exist in respect of actual and potential claims. An assessment of any likely loss has been made on a case-by-case basis and a provision is raised where appropriate.

## E7 LEASES

### a) Lease assets

The movements in the right-of-use asset (leases) balances are as follows:

| For the year ended 30 June       | 2022                   |              |              | 2021                   |              |              |
|----------------------------------|------------------------|--------------|--------------|------------------------|--------------|--------------|
|                                  | Property leases<br>\$m | Other<br>\$m | Total<br>\$m | Property leases<br>\$m | Other<br>\$m | Total<br>\$m |
| <b>Opening balance</b>           |                        |              |              |                        |              |              |
| Cost                             | 77.6                   | 8.5          | 86.1         | 77.6                   | 7.9          | 85.5         |
| Accumulated depreciation         | (18.1)                 | (3.7)        | (21.8)       | (9.1)                  | (1.5)        | (10.6)       |
| <b>Net book value at 1 July</b>  | <b>59.5</b>            | <b>4.8</b>   | <b>64.3</b>  | <b>68.5</b>            | <b>6.4</b>   | <b>74.9</b>  |
| <b>Movement</b>                  |                        |              |              |                        |              |              |
| Additions                        | 2.3                    | 3.3          | 5.6          | —                      | 1.4          | 1.4          |
| Net disposals                    | —                      | (0.2)        | (0.2)        | —                      | (0.5)        | (0.5)        |
| Depreciation expense             | (8.9)                  | (2.5)        | (11.4)       | (9.0)                  | (2.5)        | (11.5)       |
| <b>Net book value at 30 June</b> | <b>52.9</b>            | <b>5.4</b>   | <b>58.3</b>  | <b>59.5</b>            | <b>4.8</b>   | <b>64.3</b>  |
| <b>Closing balance</b>           |                        |              |              |                        |              |              |
| Cost                             | 79.9                   | 11.6         | 91.5         | 77.6                   | 8.5          | 86.1         |
| Accumulated depreciation         | (27.0)                 | (6.2)        | (33.2)       | (18.1)                 | (3.7)        | (21.8)       |
| <b>Net book value at 30 June</b> | <b>52.9</b>            | <b>5.4</b>   | <b>58.3</b>  | <b>59.5</b>            | <b>4.8</b>   | <b>64.3</b>  |

# Other balance sheet assets and liabilities

## E7 LEASES CONTINUED

### b) Lease liabilities

The movements in the lease liabilities balance are as follows:

| For the year ended 30 June     | 2022<br>\$m | 2021<br>\$m |
|--------------------------------|-------------|-------------|
| Opening balance at 1 July      | 72.4        | 81.1        |
| Additions                      | 5.6         | 1.4         |
| Disposals                      | (0.2)       | (0.5)       |
| Interest incurred              | 2.8         | 3.1         |
| Payment of interest expense    | (2.8)       | (3.1)       |
| Payment of lease liabilities   | (10.2)      | (9.6)       |
| <b>Total lease liabilities</b> | <b>67.6</b> | <b>72.4</b> |

The consolidated statement of other comprehensive income shows the following amounts relating to leases:

| For the year ended 30 June                          | 2022<br>\$m | 2021<br>\$m |
|-----------------------------------------------------|-------------|-------------|
| Interest on lease liabilities                       | 2.8         | 3.1         |
| Expense relating to short-term and low value leases | 0.4         | 0.6         |
| Depreciation expense                                | 11.4        | 11.5        |
| <b>Total</b>                                        | <b>14.6</b> | <b>15.2</b> |

The consolidated statement of cash flows shows the following amounts relating to leases:

| For the year ended 30 June           | 2022<br>\$m | 2021<br>\$m |
|--------------------------------------|-------------|-------------|
| Principal payments for leased assets | 10.2        | 9.6         |
| Payment of interest expense          | 2.8         | 3.1         |
| <b>Total cash outflow for leases</b> | <b>13.0</b> | <b>12.7</b> |

The right-of-use asset is initially measured at cost which comprises of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred, and an estimate of costs to restore the underlying asset, less any lease incentives received.

Depreciation is charged on a straight-line basis on all right-of-use assets over the term of the lease. The right-of-use asset is periodically assessed for impairment and is adjusted for certain re-measurements of the lease liability.

Lease liabilities are initially measured on a present value basis of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease.

Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined, which is generally the case for leases in the Group. The incremental borrowing rate is the rate that the Group would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option with a corresponding adjustment to the right-of-use asset.

Lease payments due within the next 12 months are recognised within current lease liabilities. Payments due after 12 months are recognised within non-current lease liabilities.

Interest expense on the lease liability is a component of finance cost and is presented in the consolidated statement of comprehensive income.

For short-term leases of 12 months or less, and leases of low-value assets, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Key judgements in determining lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it.

## Other balance sheet assets and liabilities

### E8 BORROWINGS

The Group has the following borrowing arrangements:

- a bilateral corporate debt facility under ASX Limited to assist with short-term working capital requirements. The facility limit is \$300.0 million (2021: \$300.0 million) and there are no outstanding balances owed at the end of the reporting period
- a new unsecured committed facility that commenced in July 2021 under ASX Clear Pty Limited to assist with short-term working capital requirements with respect to its clearing operations. The facility limit is \$230.0 million and there are no outstanding balances owed at the end of the reporting period. This facility replaced the \$180 million facility under ASX Limited that matured in July 2021.

The proceeds and repayments of these borrowing arrangements are summarised below:

| For the year ended 30 June | 2022<br>\$m | 2021<br>\$m |
|----------------------------|-------------|-------------|
| Opening balance            | —           | —           |
| <b>Cash flows</b>          |             |             |
| Proceeds                   | 90.0        | 200.0       |
| Repayments                 | (90.0)      | (200.0)     |
| Closing balance            | —           | —           |

# Group disclosures

## F1 SUBSIDIARIES

Parent entity<sup>1</sup>: ASX Limited

### *Subsidiaries of ASX Limited:*

ACN 611 659 664 Limited<sup>2</sup>

ASX Acceler8 Pty Limited

ASX Benchmarks Pty Limited

ASX Clearing Corporation Limited

ASX Compliance Pty Limited

ASX Data Analytics Pty Limited

ASX Financial Settlements Pty Limited

ASX Futures Exchange Pty Limited

ASX Long-Term Incentive Plan Trust

ASX Operations Pty Limited<sup>2</sup>

ASX Settlement Corporation Limited<sup>2</sup>

Australian Securities Exchange Limited<sup>2</sup>

Australian Stock Exchange Pty Limited

SFE Corporation Limited<sup>2</sup>

### *Subsidiaries of ASX Operations Pty Limited:*

ASX Collateral Management Services Pty Limited

Australian Clearing Corporation Limited<sup>2</sup>

Australian Clearing House Pty Limited

Equityclear Pty Limited

New Zealand Futures and Options Exchange Limited

Options Clearing House Pty Limited

Sydney Futures Exchange Pty Limited

ASX Limited and Australian Securities Exchange Limited are licensed to operate financial markets while ASX Clear, ASX Clear (Futures), Austraclear Limited and ASX Settlement Pty Limited are licensed to operate clearing and settlement facilities.

In accordance with the *Corporations Act 2001*, the Group maintains two fidelity funds for claims about the defalcation of monies in relation to cash market and derivative trading. ASX Limited acts as manager for the ASX Division 3 Compensation Fund and Australian Securities Exchange Limited acts as trustee for the Sydney Futures Exchange Limited Fidelity Fund. ASX is also the sole member of the Securities Exchanges Guarantee Corporation (SEGC), which is responsible for administering the National Guarantee Fund (NGF), a compensation fund available to meet certain types of claims arising from dealings with participants of ASX and, in limited circumstances, participants of ASX Clear, in accordance with the *Corporations Act 2001*.

ASX Division 3 Compensation Fund, Sydney Futures Exchange Limited Fidelity Fund and SEGC are not consolidated into the Group.

All subsidiaries are incorporated in Australia except for Australian Securities Exchange (US) Inc (incorporated in the US), New Zealand Futures and Options Exchange Limited (incorporated in New Zealand). All subsidiaries have the same reporting date.

### *Entities deregistered resulting in loss of control*

ASX Energy Limited, a fully owned subsidiary of ASX Limited was deregistered on 28 January 2022. This was a dormant company with loss of control having no financial impact.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power to direct the activities of the entity. In addition to considering the existence of potential voting rights that are presently exercisable or convertible, the Company also considers relationships with other parties that may result in the Company controlling an entity on the basis of de facto circumstances.

The Group has two established trusts. LTIPT administers the Group's employee share scheme while ASX Clearing Corporation Trust manages the cash and financial assets at amortised cost of the two CCP subsidiaries. Both trusts are consolidated as the substance of the relationship is that they are controlled by the Group.

### *Subsidiaries of ASX Clearing Corporation Limited:*

ASX Clear (Futures) Pty Limited

ASX Clear Pty Limited

ASX Clearing Corporation Trust

### *Subsidiaries of ASX Settlement Corporation Limited:*

ASX Settlement Pty Limited

Austraclear Limited

### *Subsidiaries of ASX Settlement Pty Limited:*

CHESS Depository Nominees Pty Limited

### *Subsidiaries of Austraclear Limited:*

Austraclear Services Limited

### *Subsidiaries of Australian Securities Exchange Limited:*

Australian Securities Exchange (US) Inc

1. Parent entity refers to the immediate controlling entity of the entity in which the investment is shown. The parent entity's investment in relation to all subsidiaries during the financial year was 100% (2021: 100%).
2. These subsidiaries are parties to the Deed of Cross Guarantee (the Deed) and have been granted relief from preparing financial statements in accordance with ASIC Legislative Instrument 2016/785. Refer to note F2 for details of the Deed.

# Group disclosures

## F2 DEED OF CROSS GUARANTEE

The entities identified in the subsidiaries list in note F1 as parties to the Deed of Cross Guarantee represent a 'closed group' for the purposes of the instrument. As there are no other parties to the Deed that are controlled by the Company, these entities also represent the 'extended closed group'.

No entities were added or removed from the Deed during the year.

### a) Consolidated statement of comprehensive income and summary of movements in retained earnings

The consolidated statement of comprehensive income and summary of movements in consolidated retained earnings for the closed group is set out below.

| Statement of comprehensive income for the year ended 30 June                             | 2022<br>\$m         | 2021<br>\$m         |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total revenue                                                                            | 1,056.3             | 999.1               |
| Total expenses                                                                           | (342.3)             | (320.3)             |
| <b>Profit before income tax expense</b>                                                  | <b>714.0</b>        | <b>678.8</b>        |
| Income tax expense                                                                       | (208.5)             | (191.6)             |
| <b>Net profit for the period</b>                                                         | <b>505.5</b>        | <b>487.2</b>        |
| <b>Items that may be reclassified to profit or loss:</b>                                 |                     |                     |
| Change in the fair value of investments in equity instruments                            | 2.0                 | (11.3)              |
| Change in the fair value of cash flow hedges                                             | 0.1                 | (0.1)               |
| Other comprehensive income/(loss) for the period, net of tax                             | 2.1                 | (11.4)              |
| <b>Total comprehensive income for the period</b>                                         | <b>507.6</b>        | <b>475.8</b>        |
| <b>Summary of movements in consolidated retained earnings for the year ended 30 June</b> | <b>2022<br/>\$m</b> | <b>2021<br/>\$m</b> |
| Opening retained earnings at 1 July                                                      | 634.6               | 601.2               |
| Transfers from related entities                                                          | —                   | 1.0                 |
| Dividends paid                                                                           | (440.6)             | (454.8)             |
| Profit for the period                                                                    | 505.5               | 487.2               |
| <b>Closing retained earnings at 30 June</b>                                              | <b>699.5</b>        | <b>634.6</b>        |

### b) Consolidated balance sheet

The consolidated balance sheet for the closed group is set out below.

| As at 30 June                            | 2022<br>\$m    | 2021<br>\$m    |
|------------------------------------------|----------------|----------------|
| <b>Current assets</b>                    |                |                |
| Cash                                     | 146.8          | 125.3          |
| Other financial assets at amortised cost | 99.9           | 124.9          |
| Trade and other receivables              | 108.5          | 78.1           |
| Prepayments                              | 17.7           | 21.0           |
| <b>Total current assets</b>              | <b>372.9</b>   | <b>349.3</b>   |
| <b>Non-current assets</b>                |                |                |
| Investments in subsidiaries              | 950.1          | 941.1          |
| Investments in equity instruments        | 47.1           | 41.8           |
| Equity accounted investments             | 50.5           | 45.8           |
| Intangible assets                        | 2,574.5        | 2,503.6        |
| Property, plant and equipment            | 51.7           | 58.2           |
| Leased assets                            | 58.3           | 64.3           |
| Net deferred tax asset                   | 54.9           | 48.0           |
| Prepayments                              | 5.6            | 6.8            |
| <b>Total non-current assets</b>          | <b>3,792.7</b> | <b>3,709.6</b> |
| <b>Total assets</b>                      | <b>4,165.6</b> | <b>4,058.9</b> |
| <b>Current liabilities</b>               |                |                |
| Trade and other payables                 | 85.1           | 75.6           |
| Current tax liabilities                  | 31.8           | 21.8           |
| Provisions                               | 21.3           | 20.0           |
| Lease liabilities                        | 10.6           | 9.8            |
| Revenue received in advance              | 119.0          | 108.7          |
| <b>Total current liabilities</b>         | <b>267.8</b>   | <b>235.9</b>   |
| <b>Non-current liabilities</b>           |                |                |
| Provisions                               | 5.4            | 6.0            |
| Lease liabilities                        | 57.0           | 62.6           |
| Revenue received in advance              | 99.8           | 84.9           |
| <b>Total non-current liabilities</b>     | <b>162.2</b>   | <b>153.5</b>   |
| <b>Total liabilities</b>                 | <b>430.0</b>   | <b>389.4</b>   |
| <b>Net assets</b>                        | <b>3,735.6</b> | <b>3,669.5</b> |
| <b>Equity</b>                            |                |                |
| Issued capital                           | 3,027.2        | 3,027.2        |
| Retained earnings                        | 699.5          | 634.6          |
| Reserves                                 | 8.9            | 7.7            |
| <b>Total equity</b>                      | <b>3,735.6</b> | <b>3,669.5</b> |

# Group disclosures

## F3 RELATED PARTY TRANSACTIONS

### a) Transactions between subsidiaries

ASX Operations Pty Limited provides operational support for the majority of the Group's activities. Expenses paid, revenues collected and purchase of capital items on behalf of other entities within the Group are booked into inter-entity accounts. Interest is not charged on any inter-entity account, other than trust balances.

Transactions between the Company and subsidiaries are eliminated on consolidation.

Balances receivable by the Company from wholly owned subsidiaries within the Group are as follows:

| As at 30 June                 | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------|---------------|---------------|
| <b>Current</b>                |               |               |
| Amounts due from subsidiaries | 195,497       | 140,488       |

The following transactions occurred between subsidiaries and the Company during the year:

| For the year ended 30 June          | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------|---------------|---------------|
| Dividends paid to the parent entity | 518,000       | 496,000       |

### b) Transactions with other related entities

The following transactions occurred with other related entities during the year:

| For the year ended 30 June          | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------|---------------|---------------|
| Purchase of services from associate | 434           | 429           |

These transactions are on an arm's length basis and under normal commercial terms and conditions.

### c) Key Management Personnel (KMP) remuneration

KMP compensation (including non-executive directors) provided during the financial year is set out in the following table. Further details are disclosed in the Remuneration Report on pages 46 to 70.

| For the year ended 30 June                | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------------|---------------|---------------|
| Short-term employee benefits <sup>1</sup> | 9,143         | 9,335         |
| Post-employment benefits                  | 295           | 295           |
| Long-term benefits                        | 86            | 84            |
| Share-based payments                      | 5,288         | 4,279         |
| <b>Total</b>                              | <b>14,812</b> | <b>13,993</b> |

<sup>1</sup> Short-term employment benefits in the prior period includes \$385,410 termination benefit.

The share-based payments reflects the expense for performance rights issued under the ASX LTVR Plan, shares issued under equity plans and shares purchased under the employee share scheme. The expense related to performance rights is calculated using the fair value of performance rights or shares at grant date, less any write-back for performance rights lapsed as a result of non-market hurdles not attained.

## F4 PARENT ENTITY FINANCIAL INFORMATION

### a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

| Statement of comprehensive income for the year ended 30 June | 2022<br>\$m  | 2021<br>\$m  |
|--------------------------------------------------------------|--------------|--------------|
| Total revenue                                                | 504.1        | 490.1        |
| Total expenses                                               | (1.4)        | (2.5)        |
| <b>Profit before income tax expense</b>                      | <b>502.7</b> | <b>487.6</b> |
| Income tax benefit                                           | 0.3          | 0.7          |
| <b>Net profit for the period</b>                             | <b>503.0</b> | <b>488.3</b> |
| Other comprehensive income/(loss) for the period, net of tax | 2.0          | (11.3)       |
| <b>Total comprehensive income for the period</b>             | <b>505.0</b> | <b>477.0</b> |

| Balance sheet as at 30 June | 2022<br>\$m    | 2021<br>\$m    |
|-----------------------------|----------------|----------------|
| <b>Current assets</b>       | <b>196.9</b>   | <b>142.0</b>   |
| Non-current assets          | 3,503.6        | 3,485.5        |
| <b>Total assets</b>         | <b>3,700.5</b> | <b>3,627.5</b> |
| <b>Current liabilities</b>  | <b>31.9</b>    | <b>21.9</b>    |
| Non-current liabilities     | —              | —              |
| <b>Total liabilities</b>    | <b>31.9</b>    | <b>21.9</b>    |
| <b>Net assets</b>           | <b>3,668.6</b> | <b>3,605.6</b> |
| Issued capital              | 3,027.2        | 3,027.2        |
| Retained earnings           | 635.3          | 572.8          |
| Asset revaluation reserve   | (9.2)          | (11.2)         |
| Equity compensation reserve | 15.3           | 16.8           |
| <b>Total equity</b>         | <b>3,668.6</b> | <b>3,605.6</b> |

The financial information for the parent entity, ASX, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Unlisted shares in subsidiaries are accounted for at cost in the financial statements of ASX.

### b) Guarantees entered into by the parent entity

The parent entity, ASX, is party to a Deed of Cross Guarantee together with the entities defined in note F2. Under the Deed, the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. No deficiencies of assets exist in any of these entities.

# Group disclosures

## F4 PARENT ENTITY FINANCIAL INFORMATION CONTINUED

### c) Contractual commitments and contingencies

ASX has an agreement with CHESS Depositary Nominees Pty Limited (CDN) which provides \$10.0 million (2021: \$10.0 million) in funds to support CDN's licence obligations if required.

No payments were made under either facility in the current or prior financial year.

The NGF, which is administered by SEGC, is maintained to provide compensation for prescribed claims arising from dealings with market participants as set out in the *Corporations Act 2001*. If the net assets of the NGF fall below the minimum amount determined by the Minister, SEGC may determine that ASX or participants must pay a levy to SEGC. No levies were called on ASX in the current or prior financial year.

In accordance with the Financial Stability Standards recovery rules, the parent entity, ASX, is obligated in certain circumstances to replenish a shortfall in the financial resources available to the CCPs up to predetermined levels for any one participant default.

No replenishments were made in the current or prior year. In accordance with the Australian Financial Services Licence of ASX Collateral Management Services Pty Limited, ASX Limited has an obligation to fund any amounts required by the subsidiary.

ASX Limited did not have any other contractual commitments or contingent liabilities for the years ended 30 June 2022 or 2021.

## F5 COMMITMENTS

### Capital commitments

Capital commitments contracted for, but not yet incurred, as at balance date are as follows:

| As at 30 June                | 2022<br>\$m | 2021<br>\$m |
|------------------------------|-------------|-------------|
| Intangible assets – software | 8.7         | 19.4        |

## F6 SHARE-BASED PAYMENTS

### a) LTVR Plan

The Group provides performance rights to ordinary shares of the Company to employees as part of the LTVR Plan to recognise performance, skills and behaviours that deliver sustainable long-term shareholder value. They entitle certain KMP to performance rights over ASX Limited shares.

Participants are granted performance rights that only vest if certain performance conditions are met. All performance rights are to be settled by physical delivery of ordinary shares in ASX Limited subject to the performance conditions being attained. The number of rights that vest depends on an EPS hurdle being achieved and ASX's total shareholder return (TSR) relative to a comparator group. Under all of the plans, 50% of the performance rights are dependent on relative EPS growth and 50% on relative TSR. All plans have a contractual life of four years and do not carry rights to dividends.

The following table shows the movement in the number of performance rights during the current and prior year.

| For the year ended 30 June | 2022<br>No. of rights | 2021<br>No. of rights |
|----------------------------|-----------------------|-----------------------|
| Opening balance at 1 July  | 88,786                | 101,983               |
| Granted during the year    | 11,960                | 18,137                |
| Vested during the year     | (10,773)              | (15,666)              |
| Lapsed during the year     | (17,690)              | (15,668)              |
| Closing balance at 30 June | 72,283                | 88,786                |

Details of each of the plans and the number of grants outstanding at the end of the reporting period is shown in the following table.

| Grant date/employees entitled                          | Number of<br>instruments<br>granted | Weighted<br>average fair<br>value |
|--------------------------------------------------------|-------------------------------------|-----------------------------------|
| Performance rights granted to KMP on 29 September 2021 | 11,960                              | \$57.13                           |
| Performance rights granted to KMP on 2 October 2020    | 18,137                              | \$55.90                           |
| Performance rights granted to KMP on 24 September 2019 | 18,422                              | \$50.82                           |
| Performance rights granted to KMP on 4 October 2018    | 23,764                              | \$38.91                           |
| <b>Total</b>                                           | <b>72,283</b>                       |                                   |

### b) Deferred equity plans

The Group operates deferred equity plans for KMPs and other employees. Under the plan, an employee receives between 40%–50% of their STVR in cash and the remainder as shares, which are deferred for two to four years in equity. If the employee ceases employment during the deferred share period, the shares are forfeited, except in certain limited circumstances.

Employees have full ownership rights of the shares under the schemes including voting rights and entitlement to dividends. Provided the employee remains employed by the ASX Group and maintains satisfactory individual performance, the shares are subject to a holding lock until vesting. Post vesting, employees can only deal with the shares in accordance with ASX's dealing rules. The shares cannot be transferred to another person or disposed of during this period.

# Group disclosures

## F6 SHARE-BASED PAYMENTS CONTINUED

The number of shares allocated to each eligible employee is the amount of the STVR award deferred into shares divided by the volume weighted average price (VWAP) over the five business days up to and including the offer close date, rounded to the nearest share.

During the year, there were 73,853 (2021: 98,913) shares allocated. The shares are recognised at their fair value, being the market price on purchase date. The weighted average fair value of the shares issued under the deferred equity plans during the year was \$87.99 (2021: \$86.79).

### c) Employee Share Purchase Plan

The ASX Employee Share Purchase Plan offers the opportunity for employees to purchase fully paid ordinary shares in ASX through salary sacrifice up to the value of \$1,000 at a discount of 10%. All Australian permanent full-time and part-time employees, and maximum-term contractors with end dates beyond 30 June are eligible to participate in the scheme.

Employees have full ownership rights of the shares under the scheme including voting rights and entitlement to dividends. The shares are subject to a three-year holding lock and as such cannot be transferred to another person or disposed of until the earlier of cessation of employment or three years from grant date, and subject to compliance with ASX's dealing rules.

The number of shares allocated to each employee is the offer amount divided by the VWAP over the five business days up to and including the offer close date, rounded down to the nearest share.

Under the 2022 Plan, 5,568 shares (2021: 6,566 ) were issued in total. The shares are recognised at their fair value of \$82.15 (2021: \$68.72), being the market price on the purchase date.

### d) Employee expenses

The following table shows the total share-based payments recognised within staff expenses during the year, and includes the impact of reversals resulting from non-market based performance hurdles not being achieved.

|                              | 2022<br>\$m | 2021<br>\$m |
|------------------------------|-------------|-------------|
| LTVR Plan                    | 0.7         | 1.2         |
| Deferred equity plans        | 9.5         | 8.2         |
| Employee Share Purchase Plan | 0.5         | 0.5         |
| <b>Total</b>                 | <b>10.7</b> | <b>9.9</b>  |

The fair value of the performance rights for the EPS component is calculated using the share price at market close on the grant date, less the present value of the expected dividends over the performance period. The fair value of performance rights for the TSR component is calculated by an independent valuer using a Monte-Carlo simulation model.

Fair values are recognised over the vesting period as an expense with a corresponding increase in the equity compensation reserve. Fair values include the impact of any market performance conditions and the impact of any non-vesting conditions, but exclude the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to vest. The impact of any revisions to the original estimates are recognised in profit or loss with a corresponding adjustment to equity.

## F7 AUDITOR'S REMUNERATION

The following fees were paid or payable by the Group for and on behalf of all Group entities for services provided by the auditor and its related practices during the financial year:

| PricewaterhouseCoopers Australia                                                                         | 2022<br>\$'000 | 2021<br>\$'000 |
|----------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Statutory audit services:</b>                                                                         |                |                |
| Audit and review of the financial statements and other audit work under the <i>Corporations Act 2001</i> | 988            | 771            |
| Audit of information technology platforms                                                                | 402            | 314            |
| <b>Other audit services:</b>                                                                             |                |                |
| Other assurance and agreed-upon procedures                                                               | 45             | —              |
| Code of Practice compliance                                                                              | 91             | 84             |
| <b>Non-audit services:</b>                                                                               |                |                |
| Tax compliance services                                                                                  | 191            | 173            |
| <b>Total remuneration for PricewaterhouseCoopers Australia</b>                                           | <b>1,717</b>   | <b>1,342</b>   |

## F8 SUBSEQUENT EVENTS

Other than the final dividend determined as disclosed in note B4, there have been no matters or circumstances that have arisen which have significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group from the end of the period to the date of this report.

# Directors' declaration

In the opinion of the directors of ASX Limited (the Company):

- a) the financial statements and notes that are contained in pages 74 to 113 in the Annual Report, are in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and
  - ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note F2 will be able to meet any liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note F2, and
- d) the financial statements also comply with International Financial Reporting Standards as disclosed in note A1.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the directors:



**DAMIAN ROCHE**  
Chair

Sydney, 18 August 2022



**HELEN LOFTHOUSE**  
Managing Director and Chief Executive Officer

Sydney, 18 August 2022

# Independent auditor's report to the members of ASX Limited



## Independent auditor's report

To the members of ASX Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion:

The accompanying financial report of ASX Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.

# Independent auditor's report to the members of ASX Limited



We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



## Materiality

- For the purpose of our audit we used overall Group materiality of \$36.5 million, which represents approximately 5% of the Group's profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

## Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

# Independent auditor's report to the members of ASX Limited



## Key audit matter

### Impairment of assets

#### **Goodwill impairment assessment** (Refer to note E2)

The Group's goodwill is allocated to two Cash Generating Units (CGUs): 'exchange-traded' (\$2,242.2m) and 'non-exchange traded' (\$75.4m).

We considered this a key audit matter due to the financial significance of the goodwill balance and the inherent judgement and estimation uncertainty in the Group's assessment of the value in use of each CGU. This includes the impact and uncertainty surrounding inflation driven economic pressures and rising interest rates on the Group's judgements over future cash flows, and the terminal growth and discount rates applied to cash flow forecasts.

The Group performed an annual impairment assessment over the goodwill balance, as required by Australian Accounting Standards, by:

1. Calculating the value in use for each CGU using a discounted cash flow model. The key assumptions in this model include cash flows (revenues, expenses and capital expenditure) for each CGU for five years and a growth rate to extrapolate cash flow projections beyond 5 years (terminal growth rate). The cash flows were discounted to net present value using a discount rate determined to be appropriate by the Group.
2. Comparing the value in use of each CGU to their respective carrying values.

The Group also performed a sensitivity analysis over the value in use calculations, by varying the assumptions used (terminal growth rate and discount rate) to assess the impact on the impairment assessment.

## How our audit addressed the key audit matter

Our procedures included:

- Evaluating the design of the Group's relevant controls over the impairment assessment of goodwill.
- Evaluating the determination and composition of the CGUs to which goodwill is allocated.
- Evaluating the Group's cash flow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations in the discounted cash flow model (the model).
- Assessing whether the value in use cash flow forecasts were consistent with previous performance, the Board-approved budgets and that significant assumptions in the budgets were subject to oversight by the directors.
- Comparing the forecast cash flows and growth rates used in the Group's cash flow forecasts to historical results and economic and industry forecasts.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

Together with PwC valuation experts, we also:

- Evaluated the appropriateness of the value in use methodology based on the requirements of Australian Accounting Standards.
- Assessed the appropriateness of the discount rate used in the model by comparing the cost of capital for the Group to market data and industry research.

# Independent auditor's report to the members of ASX Limited



## Key audit matter

## How our audit addressed the key audit matter

### Valuation and existence of financial instruments

#### A) Valuation and existence of other financial assets at amortised cost (Refer to note C3)

At 30 June 2022, other financial assets at amortised cost were \$9.0bn and comprised of reverse repurchase agreements, negotiable certificates of deposits and promissory notes.

We considered this a key audit matter due to the financial significance of the balance.

Our procedures included:

- Evaluating the design and operating effectiveness of the Group's relevant controls over the existence of other financial assets at amortised cost.
- Evaluating the appropriateness and reliability of a sample of data used in the Group's calculations by agreeing key inputs to source documentation.
- Verifying the existence of other financial assets at amortised cost as at 30 June 2022 through trade confirmations provided by counterparties.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

Together with PwC valuation experts, we also:

- Assessed the mathematical accuracy of the Group's valuation calculations through reperformance.

#### B) Valuation and existence of financial assets at fair value (Refer to note C3)

At 30 June 2022, financial assets at fair value through profit and loss (FVTPL) were \$525.6m and comprised non-cash collateral.

\$463.8m of the financial assets are classified as 'level 1' in accordance with the categorisation criteria under Australian Accounting Standards, where quoted prices in active markets are available for identical assets.

The remaining \$61.8m is classified as 'level 2', where values are derived from observable prices (or inputs to valuation models) other than quoted prices included within 'level 1'. The valuation of 'level 2' securities therefore requires a higher degree of judgement by the Group.

We considered this a key audit matter due to the financial significance of the balance, as well as the inherent judgement involved in valuing level 2 financial instruments at fair value.

Our procedures included:

- Evaluating the design of the Group's relevant controls over the valuation of financial assets at FVTPL.
- Confirming the existence of financial assets at fair value with counterparties as at 30 June 2022.
- Assessing the reasonableness of the Group's fair value disclosures in the financial report, including the classification of the financial assets at FVTPL as 'level 1' and as 'level 2' against the requirements of Australian Accounting Standards.

Together with PwC valuation experts, we also:

- Assessed the valuation of all level 1 and 2 classified financial assets at FVTPL held by the Group as at 30 June 2022, by reference to quoted prices in active markets.

# Independent auditor's report to the members of ASX Limited



## Key audit matter

## How our audit addressed the key audit matter

### Accuracy of revenue recognition

(Refer to note B2)

At 30 June 2022, revenue from contracts with customers in the consolidated statement of comprehensive income totalled \$1,041.8m.

Listings (\$216.7m) comprises: initial and subsequent listing fees, which are deferred and recognised evenly over the period the listing services are expected to be provided, which is five years for initial listings and three years for subsequent listings; and annual listing fees, which are recognised evenly over the financial year the service is provided.

All other revenue streams (\$825.1m) (Markets; Technology and Data; and Securities and Payments) are recognised at the point in time the service is provided.

We considered this a key audit matter due to the financial significance of total revenue and the inherent judgement required by the Group in determining the period that it expects to satisfy its performance obligations in relation to listing services, within the listings revenue stream.

Our procedures included:

- Evaluating the design of the Group's relevant controls over revenue recognition and assessing whether a sample of these controls operated effectively throughout the year.
- Assessing the appropriateness of revenue reclassifications as a result of the Operating Model Restructure (OMR) effective 1 July 2021.
- Evaluating the appropriateness and reliability of data used in the Group's revenue calculations by agreeing a sample of inputs to source documentation.
- Assessing the mathematical accuracy of a sample of the Group's revenue calculations through reperformance.
- Considering whether revenue recognised during the current year was recognised in the appropriate accounting period and did not relate to an earlier or later period.
- Evaluating the appropriateness of the Group's methodology and significant assumptions used to determine the deferral periods applied to initial and subsequent listings revenue against the requirements of Australian Accounting Standards.
- Assessing the mathematical accuracy of the Group's calculations of the deferral periods by recalculating revenue recognised and revenue received in advance for a sample of initial and subsequent listing fees, using the Group's methodology.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express an opinion or any form of assurance conclusion thereon.

# Independent auditor's report to the members of ASX Limited



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

## **Report on the remuneration report**

### **Our opinion on the remuneration report**

We have audited the remuneration report included in pages 46 to 70 of the annual report for the year ended 30 June 2022.

In our opinion, the remuneration report of ASX Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

# Independent auditor's report to the members of ASX Limited



pwc

---

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Voula Papageorgiou  
Partner

Sydney  
18 August 2022

# Key financial ratios

|                                                                                | Notes | FY18        | FY19        | FY20        | FY21        | FY22        |
|--------------------------------------------------------------------------------|-------|-------------|-------------|-------------|-------------|-------------|
| Basic earnings per share (EPS)                                                 | 1     | 230.0c      | 254.1c      | 257.6c      | 248.4c      | 262.7c      |
| Diluted EPS                                                                    | 1     | 230.0c      | 254.1c      | 257.6c      | 248.4c      | 262.7c      |
| Underlying EPS                                                                 | 2     | 240.4c      | 254.1c      | 265.4c      | 248.4c      | 262.7c      |
| Dividend per share – interim                                                   |       | 107.2c      | 114.4c      | 116.4c      | 112.4c      | 116.4c      |
| Dividend per share – final                                                     |       | 109.1c      | 114.3c      | 122.5c      | 111.2c      | 120.0c      |
| Dividend per share – special                                                   |       | —           | 129.1c      | —           | —           | —           |
| Statutory return on equity                                                     | 3     | 11.5%       | 12.8%       | 13.6%       | 13.1%       | 13.7%       |
| Underlying return on equity                                                    | 4     | 12.0%       | 12.8%       | 14.0%       | 13.1%       | 13.7%       |
| EBITDA/operating revenue                                                       | 5,6   | 76.2%       | 75.1%       | 74.9%       | 73.0%       | 72.3%       |
| EBIT/operating revenue                                                         | 5,6   | 70.5%       | 69.6%       | 69.5%       | 67.4%       | 67.4%       |
| Total expenses (including depreciation and amortisation)/operating revenue     | 5,6   | 29.5%       | 30.4%       | 30.5%       | 32.6%       | 32.6%       |
| Capital expenditure (\$m)                                                      |       | \$54.1      | \$75.1      | \$80.4      | \$109.8     | \$105.2     |
| Net tangible asset backing per share                                           |       | \$7.79      | \$7.53      | \$6.32      | \$6.04      | \$6.03      |
| Net asset backing per share                                                    |       | \$20.38     | \$20.23     | \$19.22     | \$19.30     | \$19.66     |
| Shareholders' equity as a % of total assets (excluding participants' balances) |       | 89.1%       | 86.5%       | 78.5%       | 85.3%       | 76.7%       |
| Shareholders' equity as a % of total assets (including participants' balances) |       | 30.5%       | 25.5%       | 21.4%       | 22.5%       | 20.9%       |
| Share price at end of period                                                   |       | \$64.39     | \$82.37     | \$85.38     | \$77.71     | \$81.71     |
| Ordinary shares on issue at end of period                                      |       | 193,595,162 | 193,595,162 | 193,595,162 | 193,595,162 | 193,595,162 |
| Weighted average number of ordinary shares (excluding treasury shares)         | 7     | 193,507,104 | 193,576,187 | 193,587,739 | 193,591,795 | 193,583,153 |
| Market value of ordinary shares on issue at end of period (\$m)                |       | \$12,466    | \$15,946    | \$16,529    | \$15,044    | \$15,819    |
| Market to book ratio at end of period                                          |       | 3.16        | 4.07        | 4.44        | 4.03        | 4.16        |
| <b>Full-time equivalent permanent staff</b>                                    |       |             |             |             |             |             |
| Number at period end                                                           |       | 587         | 689         | 726         | 748         | 790         |
| Average during the period                                                      |       | 560         | 650         | 709         | 742         | 759         |

1. Based on statutory net profit after tax (NPAT) including significant items and weighted average number of shares.

2. Based on underlying NPAT excluding significant items and weighted average number of shares.

3. Based on statutory NPAT including significant items.

4. Based on underlying NPAT excluding significant items.

5. Operating revenue excludes interest and dividend revenue (underlying).

6. EBITDA – earnings before interest, tax, depreciation and amortisation; EBIT – earnings before interest and tax. These metrics along with total expenses exclude significant items.

7. Weighted average number of ordinary shares used to calculate EPS.

# Transaction levels and statistics

|                                                                          | FY18               | FY19               | FY20               | FY21               | FY22               |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Listings</b>                                                          |                    |                    |                    |                    |                    |
| Total domestic market capitalisation (\$bn) – period end                 | \$1,957            | \$2,069            | \$1,918            | \$2,498            | \$2,308            |
| Total number of listed entities (includes stapled entities) – period end | 2,285              | 2,269              | 2,188              | 2,228              | 2,317              |
| Number of new listings                                                   | 137                | 111                | 83                 | 176                | 217                |
| Average annual listing fee                                               | \$37,569           | \$41,356           | \$42,214           | \$40,341           | \$46,962           |
| Initial capital raised (\$m)                                             | \$25,693           | \$37,402           | \$26,964           | \$40,574           | \$58,857           |
| Secondary capital raised (\$m)                                           | \$43,022           | \$38,830           | \$65,033           | \$50,561           | \$54,151           |
| Other secondary capital raised including scrip-for-scrip (\$m)           | \$12,998           | \$9,783            | \$5,193            | \$11,359           | \$142,319          |
| <b>Total capital raised (\$m)</b>                                        | <b>\$81,713</b>    | <b>\$86,015</b>    | <b>\$97,190</b>    | <b>\$102,494</b>   | <b>\$255,327</b>   |
| Number of new warrant series quoted                                      | 1,967              | 1,849              | 2,060              | 867                | 898                |
| Total warrant series quoted                                              | 2,976              | 2,789              | 2,516              | 2,418              | 2,683              |
| <b>Cash market</b>                                                       |                    |                    |                    |                    |                    |
| Trading days                                                             | 252                | 252                | 255                | 254                | 253                |
| Total cash market trades ('000)                                          | 292,528            | 359,985            | 460,789            | 384,150            | 448,276            |
| Average daily cash market trades                                         | 1,160,826          | 1,428,512          | 1,807,015          | 1,512,400          | 1,771,841          |
| Continuous trading (\$bn)                                                | \$677.893          | \$722.111          | \$995.319          | \$994.431          | \$1,078.995        |
| Auctions (\$bn)                                                          | \$262.126          | \$333.979          | \$409.876          | \$363.198          | \$470.200          |
| Centre Point (\$bn)                                                      | \$106.481          | \$113.030          | \$120.436          | \$106.134          | \$133.365          |
| Trade reporting (\$bn)                                                   | \$185.316          | \$211.568          | \$266.053          | \$217.171          | \$286.626          |
| <b>Total cash market value (\$bn)</b>                                    | <b>\$1,231.816</b> | <b>\$1,380.688</b> | <b>\$1,791.684</b> | <b>\$1,680.934</b> | <b>\$1,969.186</b> |
| Average daily on-market value (\$bn)                                     | \$4.153            | \$4.639            | \$5.983            | \$5.763            | \$6.650            |
| Average daily value (including trade reporting) (\$bn)                   | \$4.888            | \$5.479            | \$7.026            | \$6.618            | \$7.783            |
| Average trade size                                                       | \$4,211            | \$3,835            | \$3,888            | \$4,376            | \$4,393            |
| Average trading fee per dollar of value (bps)                            | 0.37               | 0.37               | 0.36               | 0.36               | 0.36               |
| Velocity (total value/average market capitalisation) <sup>1</sup>        | 83%                | 87%                | 107%               | 92%                | 94%                |
| Number of dominant settlement messages (m)                               | 17.9               | 19.6               | 22.5               | 22.7               | 22.0               |

1. Total value transacted on all venues.

# Transaction levels and statistics *continued*

|                                                                    | FY18           | FY19           | FY20           | FY21           | FY22           |
|--------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Equity options (excluding ASX SPI 200)</b>                      |                |                |                |                |                |
| Trading days (exchange-traded options)                             | 252            | 252            | 255            | 254            | 253            |
| <b>Total contracts traded – equity options ('000)</b>              |                |                |                |                |                |
| Single stock options                                               | 80,091         | 73,825         | 65,894         | 56,887         | 60,172         |
| Index options and futures                                          | 12,461         | 11,282         | 9,842          | 5,328          | 5,896          |
| Average daily single stock options contracts                       | 317,822        | 292,957        | 258,406        | 223,964        | 237,835        |
| Average daily index options contracts                              | 49,449         | 44,770         | 38,596         | 20,975         | 23,304         |
| Average fee per derivatives contract                               | \$0.24         | \$0.23         | \$0.24         | \$0.19         | \$0.25         |
| <b>Futures</b>                                                     |                |                |                |                |                |
| Trading days (futures and options)                                 | 255            | 255            | 257            | 256            | 256            |
| <b>Total contracts traded – futures ('000)</b>                     |                |                |                |                |                |
| ASX SPI 200                                                        | 13,782         | 15,994         | 19,246         | 14,425         | 14,815         |
| 90 day bank bills                                                  | 33,226         | 34,698         | 24,967         | 12,833         | 21,235         |
| 3 year bonds                                                       | 56,041         | 60,488         | 58,091         | 45,598         | 42,618         |
| 5 year bonds                                                       | —              | —              | —              | 1,138          | 913            |
| 10 year bonds                                                      | 47,729         | 51,883         | 56,772         | 65,371         | 52,630         |
| 20 year bonds                                                      | 383            | 256            | 190            | 201            | 219            |
| 30 day interbank cash rate                                         | 1,952          | 4,268          | 5,743          | 527            | 608            |
| Agricultural                                                       | 84             | 93             | 95             | 241            | 231            |
| Electricity                                                        | 371            | 413            | 539            | 786            | 1,001          |
| Other <sup>1</sup>                                                 | 149            | 112            | 118            | 205            | 138            |
| NZ\$ 90 day bank bills                                             | 1,697          | 2,329          | 2,354          | 2,240          | 1,965          |
| <b>Total futures</b>                                               | <b>155,414</b> | <b>170,534</b> | <b>168,115</b> | <b>143,565</b> | <b>136,373</b> |
| <b>Total contracts traded – options on futures ('000)</b>          |                |                |                |                |                |
| ASX SPI 200                                                        | 140            | 98             | 65             | 28             | 9              |
| 3 year bonds                                                       | 85             | 227            | 177            | 3              | 0              |
| Overnight 3 year bonds                                             | 314            | 279            | 269            | 0              | 5              |
| Intraday 3 year bonds                                              | 344            | 610            | 508            | 27             | 7              |
| 10 year bonds <sup>2</sup>                                         | 36             | 4              | 25             | 61             | 3              |
| Electricity                                                        | 36             | 56             | 79             | 116            | 101            |
| Other <sup>3</sup>                                                 | —              | —              | 2              | —              | —              |
| <b>Total options on futures</b>                                    | <b>955</b>     | <b>1,274</b>   | <b>1,125</b>   | <b>235</b>     | <b>125</b>     |
| <b>Total futures and options on futures contract volume ('000)</b> | <b>156,369</b> | <b>171,808</b> | <b>169,240</b> | <b>143,800</b> | <b>136,499</b> |
| Daily average contracts – futures and options                      | 613,211        | 673,757        | 658,522        | 561,720        | 533,197        |
| Average fee per contract – futures and options                     | \$1.36         | \$1.36         | \$1.44         | \$1.49         | \$1.56         |
| <b>OTC markets</b>                                                 |                |                |                |                |                |
| Total notional cleared value (\$bn) <sup>4</sup>                   | \$6,314.322    | \$9,710.616    | \$12,454.307   | \$5,200.102    | \$4,638.597    |
| Open notional cleared value (\$bn) – period end                    | \$3,773.703    | \$7,207.582    | \$5,098.019    | \$3,101.448    | \$4,265.587    |

1. Includes VIX and sector futures.

2. Includes overnight and intraday 10 year bonds.

3. Includes agricultural and 90 day bank bills.

4. Cleared notional value is double sided.

# Transaction levels and statistics continued

|                                                                                                                           | FY18         | FY19         | FY20         | FY21         | FY22         |
|---------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Austraclear</b>                                                                                                        |              |              |              |              |              |
| Settlement days                                                                                                           | 252          | 253          | 255          | 254          | 253          |
| <b>Transactions ('000)</b>                                                                                                |              |              |              |              |              |
| Cash transfers                                                                                                            | 605          | 610          | 645          | 565          | 560          |
| Fixed interest securities                                                                                                 | 770          | 812          | 975          | 1,100        | 1,229        |
| Discount securities                                                                                                       | 146          | 147          | 131          | 103          | 104          |
| Foreign exchange                                                                                                          | 9            | 9            | 6            | 5            | 4            |
| Other                                                                                                                     | 1            | 0            | 0            | 1            | 0            |
| <b>Total transactions ('000)</b>                                                                                          | <b>1,531</b> | <b>1,578</b> | <b>1,757</b> | <b>1,774</b> | <b>1,897</b> |
| Average daily settlement volume                                                                                           | 6,076        | 6,239        | 6,889        | 6,984        | 7,500        |
| Securities holdings (\$bn) – monthly average                                                                              | \$1,908.5    | \$2,003.7    | \$2,142.0    | \$2,573.8    | \$2,800.7    |
| Securities holdings (\$bn) – period end                                                                                   | \$1,948.8    | \$2,054.5    | \$2,358.2    | \$2,667.4    | \$2,915.6    |
| Average settlement and depository fee (including portfolio holdings) per transaction (excludes registry services revenue) | \$16.63      | \$16.88      | \$16.55      | \$17.19      | \$17.95      |
| ASX Collateral (\$bn) – average                                                                                           | \$19.9       | \$21.9       | \$26.9       | \$18.2       | \$15.6       |
| ASX Collateral (\$bn) – period end                                                                                        | \$23.5       | \$22.4       | \$43.4       | \$4.1        | \$17.2       |
| <b>System uptime (period average)</b>                                                                                     |              |              |              |              |              |
| ASX Trade                                                                                                                 | 100.00%      | 100.00%      | 100.00%      | 99.72%       | 100.00%      |
| CHESS                                                                                                                     | 99.99%       | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| Futures trading                                                                                                           | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 99.94%       |
| Futures clearing                                                                                                          | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| <b>Austraclear</b>                                                                                                        | 99.98%       | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| <b>Technical services (number at period end)</b>                                                                          |              |              |              |              |              |
| <b>ASX distribution platform</b>                                                                                          |              |              |              |              |              |
| Australian Liquidity Centre cabinets                                                                                      | 301          | 324          | 326          | 368          | 386          |
| <b>Connection services</b>                                                                                                |              |              |              |              |              |
| ASX Net connections                                                                                                       | 112          | 104          | 103          | 103          | 106          |
| ASX Net service feeds                                                                                                     | 444          | 447          | 455          | 452          | 476          |
| Australian Liquidity Centre service connections                                                                           | 984          | 1,068        | 1,078        | 1,170        | 1,287        |
| <b>ASX service access</b>                                                                                                 |              |              |              |              |              |
| ASX ITCH access                                                                                                           | 49           | 54           | 56           | 56           | 61           |
| Futures ITCH access                                                                                                       | 80           | 73           | 71           | 75           | 75           |
| <b>ASX market access</b>                                                                                                  |              |              |              |              |              |
| ASX sessions                                                                                                              | 922          | 886          | 882          | 832          | 845          |
| ASX gateways                                                                                                              | 160          | 155          | 160          | 139          | 133          |
| ASX liquidity cross-connections                                                                                           | 64           | 57           | 55           | 55           | 53           |
| ASX OUCH access                                                                                                           | 82           | 75           | 95           | 104          | 119          |
| Futures gateways                                                                                                          | 251          | 329          | 245          | 203          | 190          |
| Futures liquidity cross-connections                                                                                       | 381          | 482          | 378          | 349          | 348          |

# Shareholder information

## ASX LIMITED – ORDINARY SHARES

ASX has ordinary shares on issue. These are listed on the Australian Securities Exchange under the code: ASX. Trading activity is published daily by most major Australian news groups (print, online and mobile) and electronic information vendors.

At a general meeting, every shareholder present in person or by direct vote, proxy, attorney or representative, has one vote on a show of hands and, on a poll, one vote for each fully paid share held unless that share is a default share.

The ASX Constitution classifies default shares as any share held above the 15% voting power limit by one party and its associates.

## DISTRIBUTION OF SHAREHOLDINGS AS AT 18 JULY 2022

| Number of shares held | Number of holders | Number of shares   | % of issued capital |
|-----------------------|-------------------|--------------------|---------------------|
| 1 to 1,000            | 40,832            | 12,503,278         | 6.46                |
| 1,001 to 5,000        | 8,256             | 16,440,823         | 8.49                |
| 5,001 to 10,000       | 693               | 4,867,989          | 2.51                |
| 10,001 to 100,000     | 576               | 18,077,881         | 9.34                |
| 100,001 and over      | 82                | 141,705,191        | 73.20               |
| <b>Total</b>          | <b>50,439</b>     | <b>193,595,162</b> | <b>100</b>          |

## MARKETABLE PARCEL

As at 18 July 2022, there were 302 holders holding less than a marketable parcel of ASX shares.

A marketable parcel of ASX shares was six shares, based on a closing price of \$84.59 on 18 July 2022.

## ON-MARKET BUY-BACK

There is no current on-market buy-back.

## SUBSTANTIAL SHAREHOLDERS AS AT 18 JULY 2022

The following organisations have disclosed a substantial shareholder notice to ASX.

| Name                     | Number of shares | % of voting power |
|--------------------------|------------------|-------------------|
| UniSuper Limited         | 25,491,073       | 13.17             |
| BlackRock Group          | 11,712,985       | 6.05              |
| AustralianSuper Pty Ltd  | 11,620,588       | 6.00              |
| State Street Corporation | 9,790,634        | 5.06              |

# Shareholder information continued

## LARGEST 20 SHAREHOLDERS AS AT 18 JULY 2022

| Name                                                             | Number of shares   | % of issued capital |
|------------------------------------------------------------------|--------------------|---------------------|
| 1. HSBC Custody Nominees (Australia) Limited                     | 46,491,478         | 24.01               |
| 2. J P Morgan Nominees Australia Pty Limited                     | 34,370,902         | 17.75               |
| 3. BNP Paribas Nominees Pty Limited                              | 26,556,008         | 13.72               |
| 4. Citicorp Nominees Pty Limited                                 | 10,896,126         | 5.63                |
| 5. BNP Paribas Noms Pty Limited                                  | 4,089,710          | 2.11                |
| 6. National Nominees Limited                                     | 3,864,154          | 2.00                |
| 7. Australian Foundation Investment Company Limited              | 1,432,000          | 0.74                |
| 8. HSBC Custody Nominees (Australia) Limited                     | 1,061,925          | 0.55                |
| 9. Milton Corporation Limited                                    | 548,965            | 0.28                |
| 10. Citicorp Nominees Pty Limited (Colonial First State Inv A/C) | 464,358            | 0.24                |
| 11. Netwealth Investments Limited                                | 399,126            | 0.21                |
| 12. Citicorp Nominees Pty Limited (Citibank NY ADR DEP A/C)      | 378,173            | 0.20                |
| 13. Mutual Trust Pty Limited                                     | 355,309            | 0.18                |
| 14. Pacific Custodians Pty Limited                               | 336,684            | 0.17                |
| 15. Law Venture Pty Limited                                      | 308,999            | 0.16                |
| 16. Djerriwarrh Investments Limited                              | 257,500            | 0.13                |
| 17. HSBC Custody Nominees (Australia) Limited – A/C 2            | 250,786            | 0.13                |
| 18. Broadgate Investments Pty Limited                            | 241,559            | 0.12                |
| 19. Vacluse Skyline Pty Limited                                  | 183,474            | 0.09                |
| 19. Trevorann Investments Pty Limited                            | 183,474            | 0.09                |
| 19. Mr Michael Denis Briody                                      | 183,474            | 0.09                |
| 19. Mr Leslie Guy Julian Paynter                                 | 183,474            | 0.09                |
| 19. Mr Kevin Joseph Troy                                         | 183,474            | 0.09                |
| 19. Mr Gilles Thomas Kryger                                      | 183,474            | 0.09                |
| 19. Raffael Pty Limited                                          | 183,474            | 0.09                |
| <b>Total</b>                                                     | <b>133,588,080</b> | <b>69.00</b>        |

# Shareholder information continued

## SHAREHOLDERS' CALENDAR

### FY22

Full-year financial results announcement 18 August 2022

#### Full-year dividend

|                                       |                   |
|---------------------------------------|-------------------|
| Ex-dividend date                      | 8 September 2022  |
| Record date for dividend entitlements | 9 September 2022  |
| Payment date                          | 28 September 2022 |

Annual General Meeting 28 September 2022

### FY23<sup>1</sup>

Half-year financial results announcement 16 February 2023

#### Half-year dividend

|                                       |               |
|---------------------------------------|---------------|
| Ex-dividend date                      | 2 March 2023  |
| Record date for dividend entitlements | 3 March 2023  |
| Payment date                          | 22 March 2023 |

Full-year financial results announcement 17 August 2023

#### Full-year dividend

|                                       |                   |
|---------------------------------------|-------------------|
| Ex-dividend date                      | 7 September 2023  |
| Record date for dividend entitlements | 8 September 2023  |
| Payment date                          | 27 September 2023 |

Annual General Meeting 27 September 2023

1. Dates are subject to final approval by the ASX Board.

## ANNUAL GENERAL MEETING 2022

The ASX Annual General Meeting (AGM) will be held at 10am (Sydney time) on Wednesday 28 September 2022. Shareholders can participate online. Details about how shareholders can view and participate in the meeting are set out on ASX's website and in the Notice of Annual General Meeting.

The Notice of Annual General Meeting has been released on the Market Announcements Platform.

The AGM webcast will be archived on the ASX website for viewing after the live event.

The external auditor will be present at the meeting to answer questions relevant to the external audit.

## ELECTRONIC COMMUNICATIONS

ASX encourages shareholders to receive information electronically. Electronic communications allow ASX to communicate with shareholders quickly and reduce ASX's paper usage.

Shareholders who currently receive information by post can log in at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to provide their email address and elect to receive electronic communications.

ASX emails shareholders when important information becomes available such as financial results, dividend statements, notices of meeting, voting forms and annual reports.

ASX will issue notices of annual and general meetings and the annual report electronically where a shareholder has provided a valid email address, unless the shareholder has elected to receive a paper copy of these documents.

Recent legislative changes to the *Corporations Act 2001 (Cth)* effective 1 April 2022 mean there are new options available to shareholders as to how they elect to receive their communications. An important notice regarding these rights is available on ASX's website at [www2.asx.com.au/about/asx-shareholders](http://www2.asx.com.au/about/asx-shareholders)

For further information, please contact ASX's share registry, Link Market Services, on 1300 724 911 or at [asx@linkmarketservices.com.au](mailto:asx@linkmarketservices.com.au)

## IMPORTANT INFORMATION ABOUT DIVIDEND PAYMENTS

Australian and New Zealand shareholders receive their dividend payments by direct credit only. No cheque payments are made to these shareholders.

If you have not already done so, please provide your direct credit instructions by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

# Directory

## SHAREHOLDER ENQUIRIES

### Enquiries about shareholdings in ASX Limited

Please direct all correspondence to ASX's share registry:

#### Link Market Services

Level 12, 680 George Street  
Sydney NSW 2000

Telephone: 1300 724 911

Email: [asx@linkmarketservices.com.au](mailto:asx@linkmarketservices.com.au)

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Questions to the ASX Chair, Managing Director and CEO, or auditor

These may be emailed to: [company.secretariat@asx.com.au](mailto:company.secretariat@asx.com.au)

Or mailed to ASX's registered office (details in right-hand column),  
marked to the attention of the Company Secretary.

## FURTHER INFORMATION

Website: [www.asx.com.au](http://www.asx.com.au)

### ASX customer service

Telephone from within Australia: 131 279

Telephone from overseas: (61 2) 9338 0000

General enquiries email: [info@asx.com.au](mailto:info@asx.com.au)

### Investor relations

Telephone: (61 2) 9227 0646

Email: [investor.relations@asx.com.au](mailto:investor.relations@asx.com.au)

### Media

Telephone: (61 2) 9227 0010

Email: [media@asx.com.au](mailto:media@asx.com.au)

1. For the cost of a local call from anywhere in Australia.

## ASX'S OFFICES AROUND AUSTRALIA

### Sydney (ASX's registered office)

#### Exchange Centre

20 Bridge Street  
Sydney NSW 2000

Telephone: (61 2) 9227 0000

#### Perth

Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

Telephone: (61 8) 9224 0000

#### Melbourne

Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

Telephone: (61 3) 9617 8611

## ASX'S AUDITOR

### PricewaterhouseCoopers

GPO Box 2650  
Sydney NSW 2001

Telephone: (61 2) 8266 0000

Website: [www.pwc.com.au](http://www.pwc.com.au)

© Copyright 2022 ASX Limited ABN 98 008 624 691

The information in this publication does not constitute investment, financial or legal advice and must not be relied on as such. You should obtain independent professional advice tailored to your specific circumstances and needs prior to making any investment and/or financial decisions. The information in this document is not, and must not be construed as, an offer or recommendation of securities or other financial products.



For personal use only