



The Directors
ASX Limited
Exchange Centre, 20 Bridge Street
SYDNEY NSW 2000

Reasonable assurance report on compliance with the Regulatory Expectations as represented in ASX Settlement Pty Limited and ASX Clear Pty Limited's (ASX) Compliance Framework

Independent Assurance Report

Opinion

We have been engaged by ASX Limited on its own behalf and on behalf of its subsidiaries ASX Operations Pty Ltd, ASX Settlement Pty Ltd and ASX Clear Pty Ltd (together collectively referred as the Client Entities) to undertake a reasonable assurance engagement in relation to ASX's compliance, in all material respects, for the year ended 30 June 2019, with:

- the Regulatory Expectations for the Conduct of Cash Equity Clearing and Settlement Services in Australia issued by the Council of Financial Regulators (CFR) in October 2016 and revised in September 2017 (the Regulatory Expectations) as represented in ASX's Compliance Framework which comprises the ASX Code of Practice and related policies and procedures listed in Appendix B (together the Compliance Framework).

In our opinion, ASX has complied, in all material respects, with the Regulatory Expectations as represented in the Compliance Framework for the year ended 30 June 2019.

Description and findings of the reasonable assurance procedures

Appendix A to this report contains ASX's Compliance Framework and supporting documents.

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ASX's Responsibilities

ASX is responsible for:

- a) The compliance activity undertaken to meet the Regulatory Expectations; and
- b) Identification of risks that threaten the compliance with the Regulatory Expectations identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on ASX's compliance, in all material respects, with the Regulatory Expectations as represented in the Compliance Framework for the year ended 30 June 2019. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether ASX has complied, in all material respects, with the Regulatory Expectations as represented in the Compliance Framework, for the year ended 30 June 2019.

An assurance engagement to report on ASX's compliance with the Regulatory Expectations involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Regulatory Expectations. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Regulatory Expectations as represented in the Compliance Framework.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected. Additionally, there is a certain level of subjectivity within the subject matter as represented in the Regulatory Expectations. A reasonable assurance engagement throughout the year ended 30 June 2019 does not provide assurance on whether compliance with the Regulatory Expectations will continue in the future.

Matters relating to the electronic presentation of ASX's Compliance Framework

This assurance report relates to the compliance of ASX with the Regulatory Expectations as represented in ASX's Compliance Framework for the year ended 30 June 2019 (compliance subject matter). The Client Entities are responsible for their website and its integrity and we do not accept responsibility for any changes that may have occurred to the compliance subject matter information or



ASX's Compliance Framework since they were presented on the Client Entities' website as at the date of this report. We have not been engaged to report on the integrity of this website. The assurance report refers only to ASX's Compliance Framework applicable as at the date of this report. It does not provide an opinion on any other information which may have been hyperlinked to/from ASX's Compliance Framework or to/from the Client Entities' website.

Restricted Use

This report was prepared for use by the Directors, officers and employees of the Client Entities to assist ASX in addressing the Regulatory Expectations. We disclaim any assumption of responsibility for any reliance on this report by any other person, or for any purpose other than that for which it was prepared.

PricewaterhouseCoopers

PricewaterhouseCoopers
by

A handwritten signature in blue ink, appearing to read 'D Chesler', written over a faint, larger version of the signature.

Deanna Chesler
Partner

Sydney
12 September 2019



ASX's Compliance Framework and supporting documents

The table below includes the policies, procedures and other documents which we referred to within our report that form part of the Compliance Framework.

Compliance framework supporting document	Date	Hyperlink
Regulatory Expectations	September 2017	https://www.cfr.gov.au/publications/policy-statements-and-other-reports/2016/regulatory-expectations-policy-statement/pdf/policy-statement.pdf
Code of Practice	May 2017	http://www.asx.com.au/cs/documents/asx-code-of-practice.pdf
Business Committee Meetings - agendas, papers, minutes and Business Committee reports to the ASX Boards	Various version dates as applicable as at the date of this report	http://www.asx.com.au/cs/business-committee-meetings.htm
Clearing and Settlement Boards Charter	November 2017	http://www.asx.com.au/documents/asx-compliance/CS-Board-Charter.pdf
Business Committee Charter	April 2019	https://www.asx.com.au/cs/documents/charter-of-the-business-committee.pdf
Business Committee Role and Membership details	As applicable as at the date of this report	http://www.asx.com.au/cs/business-committee.htm
ASX Boards' members details	As applicable as at the date of this report	http://www.asx.com.au/about/asx-clearing-settlement-boards.htm
2014 Oxera report: 'Global cost benchmarking of cash equity clearing and settlement services'	June 2014	http://www.asx.com.au/cs/documents/Global_cost_benchmarking_of_cash_equity_clearing_settlement_services_Final_20Jun14.pdf
2016 Oxera report: 'Global cost benchmarking: review of price lists'	April 2016	Not on ASX's website
Audited 'Cash Market Clearing and Settlement management income statement' - 2019	June 2019	Not on ASX's website
ASX internal cost allocation and transfer pricing policy between ASX group entities for clearing and settlement of cash equities in Australia	As applicable as at the date of this report	http://www.asx.com.au/cs/documents/cost_allocation_policy.pdf



Compliance framework supporting document	Date	Hyperlink
Audited 'Cash Market Clearing and Settlement management income statement' - 2018	June 2018	https://www.asx.com.au/cs/financial-statements.htm
Enterprise Wide Pricing Framework	January 2017	Not on ASX's website
Clearing, Settlement and Issuer Administration Services Schedule of Fees	July 2018	https://asxonline.com/content/dam/asxonline/public/documents/schedule-of-fees/clearing-settlement-and-issuer-administration-services-schedule-of-fees.pdf
Consultation Paper 'CHESSE Replacement: New Scope and Implementation Plan'	April 2018	https://www.asx.com.au/documents/public-consultations/chess-replacement-new-scope-and-implementation-plan.pdf
CHESSE Replacement: New Scope and Implementation Plan - Response to consultation feedback	September 2018	https://www.asx.com.au/documents/public-consultations/response-to-chess-replacement-consultation-feedback.pdf
ASX Trade Acceptance Service (TAS) – Review of Legal Terms	October 2016	http://www.asx.com.au/documents/public-consultations/Review_of_TAS_Legal_Terms.pdf
Settlement Facilitation Service (SFS) Agreement	March 2014	http://www.asx.com.au/documents/settlement/Settlement_Facilitation_Service_Agreement_Template.pdf
ASX Cash Equities Clearing and Settlement Code of Practice - Access Protocols	July 2017	http://www.asx.com.au/cs/documents/COP-Access-Protocols-1-7-17.pdf
Procedures for Access Requests by Approved Market Operators (AMOs)	July 2017	http://www.asx.com.au/cs/documents/AMO-Procedures-for-Access-Requests.pdf
Procedures for Access Requests by Approved Listing Market Operators (ALMOs)	July 2017	http://www.asx.com.au/cs/documents/almo-procedures-for-access-requests.pdf
ASX's Conflict Handling Arrangements	December 2018	https://www.asx.com.au/documents/about/asx_conflict_handling_arrangements.pdf
Information Handling Standard	May 2018	Not on ASX's website
Regulatory Expectations External Audit Terms of Reference	July 2019	Not on ASX's website
ASX Operating Rules	Various dates	https://www.asx.com.au/regulation/rules/asx-operating-rules.htm