



ASX

AUSTRALIAN SECURITIES EXCHANGE

NOTICE OF ANNUAL GENERAL MEETING 2007

ASX Limited ('ASX' or 'the Company') will hold its 20th Annual General Meeting at 11.00am (Sydney time) on Tuesday, 30 October at the ASX Auditorium, lower ground floor, Exchange Square, 18 Bridge Street Sydney.

Business

ASX's Financial Report

- 1 To receive the financial report, directors' report and auditor's report for ASX and its controlled entities for the year ended 30 June 2007.

SEGC Financial Report

- 2 To receive the financial report and auditor's report for the National Guarantee Fund for the year ended 30 June 2007.

Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

- 3 That the remuneration report be adopted.

Election of directors

To consider and, if thought fit, to pass the following ordinary resolutions:

- 4 That Shane Finemore is elected as a director of ASX.
- 5 That David Gonski AC is elected as a director of ASX.

Increase cap on directors' remuneration

To consider and, if thought fit, to pass the following ordinary resolution:

- 6 That the total amount of fees that may be paid to ASX's non-executive directors as a whole be increased by \$500,000 from \$2 million to a maximum of \$2.5 million.

Managing Director's revised participation in the ASX Long Term Incentive Plan

To consider and, if though fit, to pass the following ordinary resolution:

- 7 That the grant of performance rights to acquire shares in ASX, and the issue or transfer of shares in ASX, to Mr Robert Elstone under the ASX Long Term Incentive Plan as described in the Explanatory Notes, is approved for all purposes including for the purpose of Listing Rule 10.14.

Maurice L Newman AC

Chairman

18 September 2007

Proxies and Voting

Eligibility to vote

You will be eligible to vote at the meeting if you are registered as a holder of ASX shares at 7.00pm (Sydney time) on Sunday, 28 October 2007.

Appointing a proxy

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of ASX and may be an individual or a body corporate. A personalised proxy form is included with this Notice of Meeting.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact Link Market Services on +61 (2) 8280 7470 or 1300 724 911.

Lodging your proxy form

You can lodge your completed proxy form by:

- mailing it to Link Market Services using the reply paid envelope;
- posting it to Locked Bag A14, Sydney South, Sydney NSW 1235;
- lodging it online at Link Market Services' website, www.linkmarketservices.com.au. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website;
- faxing it to + 61 (2) 9287 0309; or
- hand delivering it to Level 12, 680 George Street, Sydney NSW 2000.

Your completed proxy form (and any necessary supporting documentation) must be received by Link Market Services no later than 11.00am (Sydney time) on Sunday, 28 October 2007.

If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Link Market Services by 11.00am (Sydney time) on Sunday, 28 October 2007 unless it has been previously provided to Link Market Services.

If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the meeting.

How the chair of the meeting will vote undirected proxies

The Chair of the meeting will vote undirected proxies in favour of all of the resolutions. ASX encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

Note for Resolutions 6 and 7

If the Chair of the meeting is appointed as your proxy,

or may be appointed by default and you do not wish to direct your proxy how to vote in respect of a resolution, you must place a mark in the box on the proxy form. By marking the box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Attending the meeting

If you attend the meeting, please bring your personalised proxy form with you. The bar code at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the meeting but representatives from Link Market Services will need to verify your identity.

You will be able to register from 10.00am (Sydney time) on the day of the meeting.

Corporate shareholders

Corporate shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. The authorisation may be effective either for this meeting only or for all meetings of ASX.

Your privacy

Attendees at the meeting will be video recorded and the tapes may be used at the discretion of ASX for security purposes.

Voting exclusions

Resolution 6: Increase cap on directors' remuneration

ASX will disregard any votes cast on resolution 6 by a director of ASX and any associate of a director of ASX. However, ASX need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7: Managing Director's revised participation in the ASX Long Term Incentive Plan

ASX will disregard any vote cast on resolution 7 by Mr Elstone and any of his associates. However, ASX need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Notes

Resolution 1: ASX's Financial Report and shareholder questions

The financial report, directors' report and auditor's report for ASX for the year ended 30 June 2007 will be laid before the meeting. There is no requirement for shareholders to approve those reports. However, the Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the management of ASX. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report.

In addition to asking questions at the meeting, written questions to the Chairman about the management of ASX, or to ASX's auditor about the content of the auditor's report and the conduct of the audit, may be submitted no later than Tuesday, 23 October 2007 to:

*Company Secretary
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000
Australia*

*Facsimile: +61 (2) 9227 0480
Email: company.secretariat@asx.com.au*

You may also submit questions via ASX's website, **www.asx.com.au**

Copies of any written questions and answers will be available at the meeting and posted on ASX's website.

Resolution 2: SEGC Financial Report

Securities Exchanges Guarantee Corporation Limited ("SEGC") is the body responsible for administration of the National Guarantee Fund (the "Fund"). The operation of SEGC and the Fund is governed by the Corporations Act 2001 and SEGC's constitution. The assets of the Fund are the property of SEGC but are held on trust for purposes set out in the Corporations Act 2001.

The Corporations Act 2001 requires SEGC to cause a copy of the audited financial statements of the Fund to be laid before the annual general meeting of ASX.

Resolution 3: Remuneration report

The remuneration report of the Company for the financial year ended 30 June 2007 ("Remuneration Report") is set out on pages 43 to 53 of ASX's 2007 Annual Report ("Annual Report") and is also available on ASX's website at **www.asx.com.au**

The remuneration report sets out ASX's remuneration arrangements for directors, including the Managing Director, and ASX staff.

The Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about or make comments on the remuneration report at the meeting. In addition, shareholders will be asked to vote on the remuneration report. However, this vote is of an advisory nature only and does not bind the Company or its directors.

Resolutions 4 and 5: Election of directors

Mr Gonski and Mr Finemore were appointed to the Board of ASX on 1 June 2007. Under the Listing Rules and ASX's Constitution, a director who is newly appointed must stand for election at the next general meeting following their appointment. Accordingly, Mr Gonski and Mr Finemore offer themselves for election to the Board.

A brief description of each candidate follows. Mr Gonski and Mr Finemore will speak to the resolution prior to the vote on their election.

Mr David Gonski AC,
LLB, B.Comm (UNSW), FAICD, FCPA, independent non-executive director

Term of office: appointed 1 June 2007.

Mr Gonski is Chairman of Coca-Cola Amatil Limited and Investec Bank Australia Limited, and is a director of Westfield Holdings Limited and Singapore Airlines Limited. He is Chancellor of the University of New South Wales, a member of the Prime Minister's Community Business Partnership and Senior Adviser to Morgan Stanley. Mr Gonski is also a member of ASX's Nomination and Remuneration Committee.

Mr Shane Finemore,
B.Comm (UNSW), independent non-executive director

Term of office: appointed 1 June 2007.

Mr Finemore is a Managing Director at UBS Investment Bank. He was formerly Head of the UBS US Fundamental Investment Group and a member of the UBS Investment Bank Board, US Equities Operating Committee and co-chaired the US Equities Trading Committee.

Board Recommendation

The non-candidate directors unanimously support the election of Mr Gonski and Mr Finemore.

Resolution 6: Increase cap on directors' remuneration

In accordance with Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to non-executive directors is fixed by ordinary resolution of a general meeting of shareholders of ASX. The current limit of \$2 million was approved at ASX's 2004 Annual General Meeting. This amount includes superannuation and fees paid to those directors of ASX in their capacity as members of Board committees and directors of subsidiary company boards, with the exception of SEGC. Fees paid to directors of SEGC are drawn from the Fund in accordance with the Corporations Act 2001.

Currently the total fees per annum paid to all ASX non-executive directors equal approximately \$1.9m.

The ASX Board wishes to increase the maximum amount of fees that may be paid to non-executive directors by \$500,000 from \$2 million to \$2.5 million. The ASX Board has always maintained a fee buffer to give it the flexibility in planning its structure in advance of specific needs arising. This has included appointing new directors to the Board before the directors they are replacing retire, to allow an orderly succession and for optimal handover arrangements. To this end, Mr Gonski and Mr Finemore were appointed directors on 1 June 2007 bringing the Board size to a total of 10 directors (not including the Managing Director). Mr Shepherd will retire as a director at the conclusion of the 2007 AGM. Mr Newman will retire as a director at the conclusion of the 2008 AGM.

Board and Committee fee increases will be in line with the recommendations of an independent remuneration consultant who had been retained by the Company to conduct a review of ASX's non-executive directors' remuneration.

Board Recommendation

Given the interest in this matter by each non-executive director, the Board as a whole makes no recommendation on this item.

Resolution 7: Managing Director's revised participation in the ASX Long Term Incentive Plan

Mr Elstone was appointed Managing Director and Chief Executive Officer on 25 July 2006. Under the terms of his employment contract with ASX, Mr Elstone is entitled to participate in ASX's Long Term Incentive Plan, subject to shareholder approval. There is no price payable by Mr Elstone to acquire any shares that may be issued to him under the Plan.

At the 2006 AGM shareholders approved Mr Elstone participating in the Plan over two stages as follows:

Stage 1

The performance period for Stage 1 runs from 1 December 2006 to 30 June 2009. The number of shares to which a performance right to shares is awarded to Mr Elstone was calculated as follows:

$$N = \frac{\$1,200,000 \times 80\%}{V}$$

Where,

N = the number of performance rights to shares, rounded up to the nearest 100.

V = the value of a Performance Right at the date of award. This valuation will be based on the methodology prescribed by AASB 2 for valuing share-based payments without any performance conditions.

Stage 2

The performance period will run from 1 December 2007 to 30 November 2010. The number of shares to which a performance right is to be awarded to Mr Elstone will be calculated as follows:

$$N = \frac{\text{fixed remuneration as at 1 December 2007} \times 80\%}{V}$$

Performance criteria

The following performance hurdles apply to both Stage 1 and 2.

50% of the performance rights relates to ASX's Earnings Per Share (EPS). If:

- ASX's EPS compound growth is 8% per annum or less, Mr Elstone will not be provided with any shares.
- ASX's EPS compound growth is between 8.1% and 9.9% per annum, 5% of the award will be granted for each 0.1% of compound EPS growth above 8%.
- ASX's EPS compound growth is 10% or more per annum, Mr Elstone will receive 100% of the performance rights.

The remaining 50% of the performance rights relates to ASX's performance against a group of peer companies selected by the Board measured using Total Shareholder Return (TSR).

If ASX's TSR when compared to the TSR of the comparative group:

- is below the 50th percentile, Mr Elstone will not be provided with any shares.
- is at the 50th percentile, Mr Elstone will be entitled to 50% of the award.
- is between the 50th and 75th percentile of the comparative group, Mr Elstone will be entitled to 50% of the award plus an additional 2% of this award for each percentile ranking above the 50th percentile.
- is at or above the 75th percentile of the comparative group, Mr Elstone will be entitled to 100% of the award.

Proposed variation

ASX proposes to vary Mr Elstone's participation in Stage 2 of the Plan. The only proposed change is to the formula used to calculate the number of performance rights awarded to Mr Elstone. It is proposed that the number of performance rights be calculated using the formula:

$$N = \frac{\$1,500,000 \times 100\%}{V}$$

Where,

N = the number of performance rights to shares, rounded up to the nearest 100.

V = the value of a Performance Right at the date of award. This valuation will be based on the methodology prescribed by AASB 2 for valuing share-based payments without any performance conditions.

Mr Elstone's fixed remuneration at 1 December 2007 will be \$1.5 million. Accordingly, the only proposed change to Mr Elstone's previously approved participation is to the multiplier to be applied to the fixed remuneration figure: it is proposed that that multiplier be 100% rather than 80%. No other changes are proposed to the long term incentive arrangements. In particular, no changes are proposed to Stage 2's Performance Criteria approved by shareholders at the 2006 AGM.

The effect of the proposed change, if approved, will be to award Mr Elstone more performance rights to ASX shares under Stage 2 than he is currently entitled to under the arrangements approved by shareholders in 2006.

Worked examples – potential number of shares to be issued

The table below sets out the number of performance rights and potential number of shares which may be provided to Mr Elstone at the end of each performance period for Stage 2 assuming the following:

- the performance criteria outlined above are achieved;
- the revised formula outlined above is used to perform the calculation; and
- the Board awards the maximum discretionary 20% increase in ASX shares that may be awarded.

In the period from 1 January to 31 August 2007, ASX shares have traded in range from a low of \$35.85 to a high of \$51.86. The table below spans this range. This material is indicative only, because the number of shares that may be issued will depend on the value of the performance rights at the date of award.

| HYPOTHETICAL VALUE OF PERFORMANCE RIGHT ON DATE OF AWARD (\$) | N = (1.5 MILLION X 100%) DIVIDED BY HYPOTHETICAL VALUE OF PERFORMANCE RIGHT* | MAXIMUM NUMBER OF ASX SHARES ISSUED AT THE END OF THE PERFORMANCE PERIOD |
|---|--|--|
| 36.00 | 41,700 | 50,040 |
| 37.00 | 40,600 | 48,720 |
| 38.00 | 39,500 | 47,400 |
| 39.00 | 38,500 | 46,200 |
| 40.00 | 37,500 | 45,000 |
| 41.00 | 36,600 | 43,920 |
| 42.00 | 35,800 | 42,960 |
| 43.00 | 34,900 | 41,880 |
| 44.00 | 34,100 | 40,920 |
| 45.00 | 33,400 | 40,080 |
| 46.00 | 32,700 | 39,240 |
| 47.00 | 32,000 | 38,400 |
| 48.00 | 31,300 | 37,560 |
| 49.00 | 30,700 | 36,840 |
| 50.00 | 30,000 | 36,000 |
| 51.00 | 29,500 | 35,400 |
| 52.00 | 28,900 | 34,680 |

*Rounded up to the nearest 100

The market price of ASX shares may go higher or lower than the range set out below prior to the date of the award and the value of the performance rights may not be equal to the market price of ASX shares at any given time.

Consequences of plan entitlements upon termination

The contract between ASX and Mr Elstone is for 3 years with an option (at the Board's discretion) to extend for a further two years. Prior to 30 June 2009, ASX can terminate the contract on 12 months' notice or the lesser remaining period until 30 June 2009. If the contract is extended for a further 2 years, the contract can be terminated upon 6 months' notice by ASX or the lesser remaining period of the extended term. At all times during Mr Elstone's employment:

- Mr Elstone can resign on 3 months' notice;
- ASX can terminate the contract on 6 months' notice (or the lesser remaining period of the term) in the case of poor performance or illness; and
- ASX can terminate the contract immediately for misconduct.

If termination is by expiry of the first three year term or the second two year term of the contract, by ASX on notice or for illness, the following applies:

- Mr Elstone will receive any shares which have been issued under the Plan; and
- Further shares may be issued under outstanding Plan entitlements, pro-rated for the amount of the performance period served and based on the performance measurement as at the date of termination.

If termination is for poor performance, the following applies:

- Mr Elstone will receive any shares which have been issued under the Plan; and
- the Board will determine at its discretion whether further shares will be issued under outstanding Plan entitlements at the termination date.

If termination is upon resignation by Mr Elstone on 3 months' notice, the following applies:

- Mr Elstone will receive any shares which have been issued under the Plan; and
- any outstanding Plan entitlements will lapse.

If termination is for misconduct, the following applies:

- any outstanding Plan entitlements will lapse; and
- any shares issued under the Plan, which remain subject under the Plan will be forfeited.

If shareholder approval is not granted

If necessary shareholder approval is not granted, the long term incentive will be paid to Mr Elstone in cash. The amount and timing of any cash incentive will be determined by the Board taking into account:

- 1 the outcome that would have applied to Mr Elstone;
- 2 the time that an award would have been made; and
- 3 the value of any shares at the time an award would have been made,

had Mr Elstone participated in the Plan under the revised formula.

Other Information – listing rule disclosure

Shareholders approved Mr Elstone's participation in Stage 1 and Stage 2 of the Long Term Incentive Plan at the 2006 AGM. Since that approval was given, 30,000 performance rights were awarded on 1 December 2006 to Mr Elstone in accordance with shareholder approval of Stage 1.

Non-executive directors are not entitled to participate in the Plan. Accordingly, Mr Elstone is the only director entitled to participate in the Plan.

Details of any securities issued to Mr Elstone under the Plan will be published in each annual report to shareholders of ASX relating to the period in which any such securities have been issued, and that approval for the issue of securities to Mr Elstone was obtained under Listing Rule 10.14. Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the Plan after resolution 7 is approved, and who were not named in the notice of meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14.

ASX intends to award the performance rights to Mr Elstone for Stage 2 by no later than 31 December 2007.

Listing Rule Waivers

Australian Securities & Investments Commission, which supervises ASX's compliance with the Listing Rules, has granted the following waiver from the Listing Rules.

- A waiver from Listing Rule 10.15A.2 to the extent that this notice of meeting need not state the maximum number of securities to be issued to Mr Elstone, on condition that it sets out the formula for determining that number; together with examples of how that formula is likely to be applied.
- A waiver from Listing Rule 10.17 to the extent that the cap on directors fees which applies to ASX directors, not include the fees paid to ASX directors in their capacity as directors of SEGC.

Board Recommendation

The Board (other than Mr Elstone) recommends that shareholders approve the proposed amendments to Mr Elstone's participation in stage 2 of the Long Term Incentive Plan.

Glossary

Explanatory Notes means the explanatory notes included in the notice which convened this meeting.

Remuneration report means the remuneration report which forms part of the directors' report of ASX for the financial year ended 30 June 2007 and which is set out on pages 43 to 53 of the Annual Report.

Corporations Act 2001 means the Corporations Act, 2001 (Commonwealth).

