**TRANSCRIPTION**

**Company: ASX Limited**

**Date: 28 October 2024**

**Time: 10:00 am AEDT**

**START OF TRANSCRIPT**

Mr Roche: Good morning everyone. I’m Damian Roche, Chair of ASX. I welcome you to the 2024 General Meeting of ASX Limited. I begin today by acknowledging the Gadigal people of the Eora nation, Traditional Custodians of the land on which we meet today and pay my respects to their Elders past and present.

Today’s proceedings are being webcast live and the recording will be available on our website following the conclusion of the meeting. However, for those present in the room, I will now run through some safety procedures. In the unlikely event of a fire or other emergency, the automatic alarms will sound. The first sound will be a beep-beep warning. At this sound, please stay seated and be prepared to evacuate. The second wound will be a woop-woop. At this sound, you must evacuate through your nearest emergency exit, which are clearly marked in this auditorium. Please follow the directions of the wardens who will be identified by a red or white hardhat. Do not use the lifts.

As there is a quorum of shareholders present, I now open the meeting. Let me commence our business with some introductions. Next to me is our Managing Director and CEO, Helen Lofthouse. All of your non-executive directors are present today: Wayne Byres, Vicki Carter, David Clarke, Melinda Conrad, Dave Curran, Peter Nash Luke Randell and Dr Heather Smith. Also attending today’s meeting is Johanna O’Rourke, our Group General Counsel and Company Secretary and Sam Hinchliffe from PricewaterhouseCoopers, our external auditor. Sam is available to answer any questions you may have about the conduct of the audit of ASX’s financial statements, the preparation and conduct of the Auditor’s Report and the accounting policies adopted by ASX in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Before moving to the addresses, I will outline the agenda for the meeting and how to ask questions and vote during the meeting. The details of the formal business are set out in the Notice of Meeting, which was released to the market on 26 September 2024. The Chair and CEO’s speeches we will be delivering shortly were released to the market prior to the start of the meeting and have been published on the ASX website. Following completion of the meeting, those here in person are invited to join the Board and management team upstairs for refreshments. We will be making refreshments available from 11:30am, however the meeting will continue without break until concluded.

I will now explain the questions and voting procedures for today’s AGM. Shareholders and proxy holders as a whole will have a reasonable opportunity to ask questions during today’s meeting. The AGM is an opportunity for shareholders to hear from and put questions to the Board, the Managing Director and CEO and the external auditor. So I encourage you to use the various platforms available to participate in this meeting. There will be time to ask questions on each formal item of business and there will also be time to ask general questions relating to the management of ASX when we consider ASX’s Financial Report for the 2024 financial year.

I ask that questions be directed to me in the first instance. There are two ways to ask a question. Shareholders and proxyholders present in the auditorium will have either a blue or a yellow card and can use the microphones in the auditorium to ask a question. We have two fixed and two roaming microphones in the auditorium. The fixed microphones are located next to the reserve seating in the middle of the stairs on each aisle. To ask a question, please make your way to the reserved seats. There are also two members of staff standing at the back of each aisle holding roaming microphones. If you cannot move to a fixed microphone, please raise your hand and an attendant will bring one to you.

Alternatively, for those who wish to submit a written question online, you can do so by navigating to the online webcast and clicking the shareholder portal button located at the bottom of the screen to log in to the online platform. Once registered, click As a Question. We ask that you submit each question separately. To ensure you have enough time to submit your question, I encourage you to start doing so now instead of waiting until later in the meeting. In addition to being able to ask questions during today’s meeting, shareholders were able to submit questions in advance. Thank you to those shareholders who took the time to do so. Many of the questions will be addressed in my speech or the CEO’s speech shortly. Where the matters raised in those questions have not been covered in our speeches, they will be covered in the relevant item of business today.

We will address questions for each item of business by taking questions from shareholders present in the auditorium first. We will then address the written questions we have received in advance of the meeting through the online platform Where we receive multiple questions on the same topic, we may amalgamate questions in the interest of time and clarity. If a large volume of questions are received both here and at the meeting through the online platform, it is possible that not all questions will be answered individually. We will endeavour to answer as many of your questions as possible.

Turning now to voting procedures, all items of business requiring a vote will be conducted by poll. A representative of ASX’s share registry, Link Market Services, is the returning officer for this meeting. I declare the polls now open. Please note that the polls will close five minutes after the conclusion of the meeting. If you are present in the auditorium and eligible to vote, you will have a yellow voting card, which you’ll be asked to complete and hand to the registry staff at the appropriate time. I will advise when it is time to complete your voting card. If you need assistance, please ask one of the registry staff in the auditorium or the foyer. If you have a yellow voting card and need to leave early, you may, if you wish, hand your completed voting card to the staff at the registration desk as you leave.

Where undirected proxies have been given to me as Chair of the meeting, I confirm that, as set out in the Notice of Meeting, I will vote the undirected proxy in favour of all resolutions as part of items 3, 4 and 5 and against all resolutions as part of item 6. I confirm that I will vote all directed proxies given to me as Chair of the meeting in accordance with the directions provided. We will display on the screen the number of direct and proxy votes received prior to the meeting on each resolution. The final results of voting will be released to the market as soon as they are available.

Now to the Chair and CEO addresses.

Fellow shareholders, thank you for joining us today for your Company’s Annual General Meeting. Whether you are joining us in the room or online, we appreciate your participation. During the 2024 financial year, your Board has been focused on: supporting the management team to progress the implementation of the new era strategy; continuing a rigorous stakeholder engagement process as we continue to progress with CHESS replacement; aligning our remuneration structure with this strategy and with long term shareholder returns; and continuing the Board renewal process. I will start with an overview of the financial performance of the Group over the past year.

The strength and resilience of ASX’s diversified business model was once again clearly demonstrated as we delivered record operating revenue of $1.03 billion in FY24. This represented an increase of 2.4% and it was achieved despite challenging market conditions. While our businesses continued to perform, we acknowledge the share price is not where we’d like it to be, however we are confident we have the right strategy in place to drive ASX’s transformation. As we guided at the start of FY24, we also increased our investment as we moved into implementing our new five-year strategy.

Total expenses increased by 14.7% compared to FY23, which led to a slightly lower underlying net profit after tax, or NPAT, of $474.2 million. The Board was supportive of the elevated level of operating expenses during the year as it was needed to meet heightened regulatory activity and the technology change underway. However, we actively sought to address our cost profile, undertaking a targeted restructure and prioritisation process in the second half of FY24, which lowered headcount and delivered savings. This targeted action underscores that we are prepared to make tough decisions and we will continue to progress expense management initiatives.

A key achievement was the successful launch of ASX’s first corporate bond which was strongly supported by the debt market, raising $275 million. The issuance took place in February and forms part of our flexible capital management strategy. A fully franked final dividend of $1.068 per share was paid on 20 September, taking the total payments for the year to $2.08 per share. This was at the midpoint of our payout range of between 80% and 90% of underlying NPAT and we have confirmed an intention to maintain this payout range for the medium term. Our financial performance relies on maintaining a focus on our strategic outcomes and Helen will speak more on this shortly as well as provide detailed progress for the first quarter of FY25.

As we committed to you at last year’s meeting, the replacement of our clearing and settlement system, CHESS, had the Board’s highest attention. We announced in November 2023 that we have appointed TCS as our product partner and Accenture as our delivery partner and proposed that CHESS replacement will be implemented in two main releases. I have asked Helen to speak in more detail to CHESS Replacement however I want to emphasise that the close engagement with our stakeholders, industry experts and regulators continues to be important in this project.

I do want to acknowledge that on 13 August, ASIC commenced legal proceedings against ASX for what it alleges were misleading statements made in February 2022 in relation to our previous CHESS replacement project. The Board recognises the seriousness of these proceedings, and we are reviewing the allegations closely. As this matter is before the courts, you will appreciate I am not able to share more at this time.

As a Board we recognise that remuneration is an important topic and, in our conversations with investors, we know that we always need to be considering if our framework is providing the right alignment and transparency. Each year we review our remuneration structure and we are focused on developing a framework that strikes the balance between financial and non-financial measures while aligning with shareholder outcomes. This year we have continued to engage and take feedback and the changes we’ve made are designed to support accountability and also drive a performance culture. Some of the changes we’ve made this year include re-weighting the framework towards long-term incentives and extending its application to all members of the executive team under the CEO; introducing underlying return on equity as a hurdle in these long-term incentives; and implementing an updated ASX scorecard to align executive remuneration with strategic outcomes.

Our long term variable rewards are wholly based on financial measures while the short term variable rewards are a mix of operational and financial measures. Having continued active dialogue with investors on remuneration helps ensure we can make adjustments and keep improving. Your Board will continue to focus on ensuring executives have appropriate hurdles and are rewarded for delivering long term shareholder value.

Board renewal has been a key focus of my time as Chair and much care has been taken to put in place a refreshed Board with the right blend of skills and experience covering technology, transformation, regulation, risk management and financial market operations and products. As part of this renewal process, I will be retiring from the Board at the conclusion of today’s meeting. The Board has appointed David Clarke as the Chair Elect of ASX and, subject to finalising the votes at Resolution 5, his appointment as Chair will be effective from the conclusion of this meeting.

David has had a 35-year career in investment banking, funds management, property and retail banking. Through his career he has been both an ASX market participant and an ASX client. He has more than 20 years of experience as a non-executive director. David will address you shortly when it is time to vote on this resolution. Including the appointment of the Chair-Elect, there will have been six new directors who have joined the ASX Board since I took the role of Chair in April 2021.

In May this year we also welcomed Wayne Byres to the ASX Board. With over 30 years’ experience in financial services regulation, risk management, governance and public policy in both domestic and international roles, Wayne brings a unique perspective to our board discussions. Both Wayne and David are seasoned leaders and their addition to your Board provides relevant skills and experience to deliver on our strategy. I hope shareholders will join me in supporting their election today.

As part of the changes to your Board, Yasmin Allen retired this year having served as a non-executive director since 2015. I’d like to thank Yasmin for her counsel and many years of diligent service. While I cease to be Chair at the conclusion of this meeting, my interest in ASX’s future, its people and enduring legacy will continue. Under the capable leadership of Helen Lofthouse and the executive team, I am confident ASX will continue to transform and grow. There remains work to do and I know your Board is looking forward to achieving many more milestones under David Clarke’s guidance as Chair. I would like to thank my fellow directors for their support and counsel over the years. I would also like to thank our customers, employees and shareholders, many of whom are here in the room, for investing time, expertise and capital with the ASX.

I would now like to invite Helen to address the AGM

Ms Lofthouse: Thanks Damian, it’s a pleasure to be here with you today and I’d like to begin by thanking you, Damian, for your contribution to ASX during your time as a director. I have especially appreciated your support during my time as CEO as we developed and launched our new five year strategy. I would also like to add my welcome to David Clarke who has joined the Board as Chair-Elect. Although your appointment is recent, I have enjoyed our interactions and look forward to continuing to work with you, should shareholders support your appointment as a director.

Now, let’s turn to our FY24 highlights. FY24 was the first year of our five year strategy as we work towards delivering our vision of a new era ASX. We have been transparent with our stakeholders by clearly setting out our strategic goals and targets. We understand that delivery is a key focus for our shareholders and in FY24 we have delivered in many areas. We delivered record operating revenue in FY24, demonstrating the quality of ASX’s businesses and the value that they create for the markets in which we operate. This was offset by an increase in operating expenses as we continued to invest in the key focus areas for Horizon 1 of our strategy, regulatory commitments and technology modernisation.

We operate at the centre of Australia’s financial system and we’re privileged to hold licences and operate markets that promote financial system stability. Regulatory scrutiny of ASX is appropriate given this special position that we hold in the economy and the fact that we operate critical market infrastructure. In FY24, as part of our ongoing uplift, we delivered on our commitments by publishing a series of special reports requested by our regulators and by making further improvements in our stakeholder engagement.

ASX is underpinned by technology and we must continue to implement sustainable, secure and resilient technology. FY24 saw us deliver a series of important updates as part of our technology modernisation program. This included upgrades to ASX Trade, with new services to increase market resilience and the replacement of infrastructure in our data centre which delivered a series of upgrades for data services critical to our customers. We have also delivered on our current roadmap for CHESS including data feed modernisation and capacity enhancements as well as security upgrades. The CHESS Replacement project has a unique set of challenges including its importance to a large and diverse group of stakeholders.

In FY24, we appointed TCS as our product vendor and Accenture as our delivery partner. We consider that the TCS product provides a reliable, supportable and scalable platform that meets the needs of the Australian market now and into the future. We also want to work closely with market participants and we have a significant consultation process in place to facilitate this. This includes a highly engaged CHESS Replacement Technical Committee and Business Committee as well as the Advisory Group for Cash Equities Clearing and Settlement. All of these forums help to ensure effective engagement with our stakeholders, which is crucial to the success of this project.

We also understand the importance of shareholder returns and we delivered a series of expense management initiatives in FY24. This included a targeted restructure as well as reducing our usage of consultants and making process improvements around employee recruitment. These initiatives are ongoing and demonstrate a continued cost discipline during a period of investment for the organisation. These investments in our key focus areas and business efficiency are crucial to long term shareholder value and I’m pleased with what we achieved in FY24. In FY25, we are continuing to invest in our key focus areas that form Horizon 1 of our five year strategy. We are prioritising investment in the great fundamentals of ASX to ensure that we’re protecting long term shareholder value and positioning ourselves to capture future growth opportunities.

Our regulatory commitments are a core part of our strategy. In FY25 we will continue our multi-year journey to further uplift our risk management practises to build a better ASX. We are committed to strengthening our risk culture as well as working to address the recommendations raised in the latest RBA Financial Stability Standards report. In terms of technology modernisation, we will continue to deliver against our indicative roadmap. In FY25, we are working towards delivering a further update to our Cash Market Trading and Derivatives Trading platforms as well as an OTC system upgrade as part of our Derivatives Clearing project. For CHESS replacement, we continue to progress work on Release 1. For Release 2, as you may have seen from the consultation paper that we published in July, we are seeking feedback on a delivery timeline to 2029. We intend to communicate the indicative scope, plan and estimated cost in the December quarter of 2024, together with feedback from this significant industry consultation.

For business efficiency, we’re investing in process simplification, automation and strategic procurement to reduce operational costs and allow our people to focus on work that adds value to our markets and customers. We are carefully prioritising the most strategic and efficient outcomes for ASX and our stakeholders. While our primary focus is Horizon 1 of our five year strategy, we are also investing in selected Horizon 2 growth opportunities. We are focused on customer-driven initiatives as we look to add value for our participants and markets.

The net zero transition is one of the greatest challenges facing this generation and will require global investment and focus. It is also a structural tailwind for ASX, because as an exchange, we’re uniquely positioned to offer the markets, connectivity and price transparency to support efficient capital allocation and risk management in this transition. This includes the recent launch of our suite of carbon futures and gas futures which form part of our transitional energy ecosystem. Although it’s early days and new futures products can take time to build momentum, we have seen two-way pricing of carbon futures across various periods and good support from clearers. And we have recently seen our first delivery of Wallumbilla gas which went smoothly.

Increasing demand for data is another one of our structural tailwinds driven by growing use of automation and demand for new data and insights from our customers. As an exchange, we are a data-rich environment and we’re working with our customers to meet their emerging areas of demand. As an example of this, we are looking to expand our data services offering to debt market participants, in addition to our existing services in the equities and derivatives markets. Austraclear is the registry and settlement system for the vast majority of Australian Dollar denominated fixed income instruments. That means that it’s the primary repository of local fixed income market data. We launched our first debt market reference data services in FY23 and will be following this up with debt market activity services later this financial year.

Turning to our One ASX strategic pillar, our people and culture remain an important focus for me. We want to continue to nurture the best of what ASX has, while also developing our people as we execute on our strategy. The new era ASX is about having a vibrant and inclusive culture that inspires growth with empowered and engaged teams. We know that our people are proud of what we do at ASX and the important role we play in the Australian economy and our recent employee engagement survey showed that 90% of our people understand how their role contributes towards the ASX vision and strategy. We are also taking steps to improve our overall employee experience in terms of how our people do their work. This includes investing in the processes and tools that our people use and enhancing our training, development and mobility processes.

Turning to outlook, many of the trends that we saw in late FY24 continued into the first quarter of FY25. More normalised macroeconomic conditions appear to be supportive of an increase in listings activity, although ongoing geopolitical instability could further impact sentiment. It’s important to note that there is a lag between these more favourable conditions and IPOs taking place, while issuers work through the process to fulfil their listing obligations and although global IPO activity has remained muted, we are seeing some green shoots here in Australia, with 15 new listings on ASX in the first quarter including Webjet Group, following its demerger, Bhagwan Marine and the dual listing of Alcoa. You may have seen some companies speak publicly about their plans for a potential ASX listing.

More broadly, we have seen $411 billion of net new capital quoted on ASX over the seven years to September 2024, which demonstrates the long term attractiveness of our market. Total cash market trading value was up by 11% in the first quarter of FY25 as offshore macro events, including central bank rate cuts and speculation around further economic stimulus in China, drove an increase in volatility.

Turning now to interest rate futures, during COVID, we saw a decline in activity at the short end of the curve due to the RBA’s yield curve target. Then the rapid rise in interest rates drove a significant increase in activity at the short end as participants managed their risk in this environment but total volumes remained subdued. But more recently, we’ve seen higher volumes with activity across the curve and growth in the number of customers using our rates futures markets. This is reflected in volume growth of 31% in total futures and options on futures in the first quarter of this financial year.

Moving now to guidance, we reconfirm the guidance provided at our investor forum and FY24 results. We expect FY25 total expense growth of 6% to 9% with operating expense growth guidance of 4% to 7% reflecting the expense management actions we’re taking. FY25 capital expenditure is expected to be between $160 million and $180 million and is expected to remain at this level until FY27 and then our aim is for CapEx to start to reduce. As our CapEx is primarily to support our technology modernisation program, inherent delivery risks in the program may impact guidance.

We have the capital management flexibility in place to support this CapEx profile and this includes a dividend payout ratio range of 80% to 90% of underlying net profit after tax and a $275 million corporate bond raised earlier this year. Although we did not operate the dividend reinvestment plan for the second half of FY24, it remains available to us as a capital management tool in the future. Finally, we are focused on underlying return on equity, or ROE, as the key performance metric driving the organisation. We delivered a result at the lower end of our ROE target range in FY24 and we’ll continue to focus on total expenses and revenue opportunities, which are the key drivers of this metric.

In conclusion, I’m proud of what we delivered in FY24 and we take good momentum into FY25. We will continue to listen to our customers and focus on delivering our five year strategy to support shareholder returns.

Thank you and I will now hand back to Damian.

Mr Roche: Thank you, Helen. We will now move to the items of business. The first item of business is to receive the ASX’s Financial Report for the 2024 financial year. Helen and I have already discussed ASX’s financial performance and comprehensive material was released on 16 August as part of our full year results. Sam Hinchliffe, our external auditor from PwC, is available to take questions about the conduct of the audit, the preparation and conduct of the Auditor’s Report, the accounting policies adopted by ASX in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

I have been advised that there were no questions for the auditor received ahead of today’s meeting. There is a separate agenda item dealing with the Remuneration Report. I will address questions about the remuneration matters when we consider that item of business. I ask that you save any questions about remuneration matters to then please. There will be no vote on this first agenda item. It is a discussion item only. I now invite general questions and questions about the financial statements from shareholders present in the room. I ask that you please state your name and then name of anyone you are representing today and then ask your question. Yes, please.

Mr Gregory: (Shareholder, ASA) Thank you, Peter Gregory is my name from the Australian Shareholders’ Association. We’re a not-for-profit organisation that represents the interests of individual shareholders and today I have proxies from 200 shareholders, holding about 260,000 shares, would make us equivalent to 18th largest on the list of top 20 shareholders. I’d also point out that 80% of ASX shareholders own less than 1,000 shares, so we’re representing a very significant part of the numbers of people who are invested in ASX.

Damian, I’d like to start by just thanking you for the interaction that we’ve had with you during the time that you’ve been Chair and for the consideration and listening that you’ve given to the issues that we’ve raised on behalf of individual shareholders. Firstly, a question. We welcome the five year transformation plan and the technology roadmap as the pathway to the new era for ASX and we’d like to put this question to Helen. Can you share a detailed roadmap of the remaining four years of the period of transformation, milestones that you will rigorously manage and transparently report to the Board, to shareholders and to all the people of ASX?

Ms Lofthouse: Thanks Peter. I’ll certainly take that question on board and consider how we can provide some additional transparency. What we have provided with the strategy is a really clear view of what are the key things that we’re aiming to do and how are we going to measure whether we’ve achieved those outcomes. So we’ll continue, as we have today, to highlight some of the key things that are part of that and where we’ve performed as well and of course that’s reflected in our scorecard as well. But certainly let me take that on consideration to figure out whether there’s something further we could do in terms of those milestones.

Mr Gregory: (Shareholder, ASA) Thanks Helen. I think that’s important, particularly for shareholders, bringing them along on this very significant journey of transformation for ASX.

Ms Lofthouse: Yes.

Mr Gregory: (Shareholder, ASA) Another question, we’re still concerned with the Treasurer’s announcement of legislation passed last year removing ASX’s monopoly in clearing and settlement to promote, in his words, a more competitive financial market. Can you describe any competitive activity you’re seeing to date and what ASX is proactively doing to protect its future market position?

Mr Roche: Helen, I might go to you to answer that one as well.

Ms Lofthouse: Thank Peter. So right now, so this is specific to cash equities clearing and settlement, which is the only place that we currently don’t have any direct competitive activity. In all of the other businesses that we operate, we often have a leading position but there are competitors as well. So specifically for cash equities clearing and settlement, right now we are the only provider and that’s unchanged at this point. I think the key thing that we need to continue doing, though, to really maintain our position, is offer a very good service and really listen to our customers. One of the things that you’ve seen over the last couple of years is that we have focused very strongly on a very significant uplift to how we’re engaging with our customers, for example in relation to CHESS replacement, that’s being seen in a really very highly engaged process, culminating in the consultation papers that we did this year, but even those consultation papers are the result of a very significant amount of engagement with our customers.

Reall I think that’s the right thing for us to be doing going forward, to protect these businesses and protect the interests of our shareholders as well, is continue to really listen to our customers and make sure that we’re actually adding value for them. I think it’s worth noting today that that clearing and settlement service is a very effective service. It’s resilient, it’s highly effective and it runs very securely and consistently to an extremely high standard of availability as well. So we’re certainly proud of the teams that work so hard to make that happen across multiple parts of our business and we’ll continue to do that.

Mr Gregory: (Shareholder, ASA) Thanks for that answer, but Helen, if I can just I guess reinforce to you the point that when the Treasurer comes out and says he wants to promote competition, it is something that shareholders will feel some nervousness about and we would appreciate your continued engagement on what’s happening with ASX retaining its competitive position in the market.

A question for Damian. The Board engaged Herbert Smith Freehills to advise on board processes, including Board papers, agendas and management reporting of key issues and risks. Can you please describe the changes that have been implemented as a result of that study?

Mr Roche: Sure, thank you Peter and thank you also for your continued engagement with ASX over these last few years and to Sue as well. So we conducted a review with Herbert Smith Freehills. We conduct many reviews and we’re always looking at ways that we can be uplifting and improving all of our processes. That Board oversight review found that we were discharging all of our oversight obligations effectively. It also recognised that over the preceding 18 months we’d already implemented a number of improvements on our own and like all reports, there are always areas of improvement and areas that we can look to refine things and we’ve been working on implementing those.

Mr Gregory: (Shareholder, ASA) Okay, thank you, that’s it from me for now.

Mr Roche: Thanks Peter.

Male: (Shareholder) Thank you, Mr Chairman and thank you Board, it’s very nice to be here. When Helen was giving her address, she stated that the ASX was a company underpinned by technology and I think it’s probably fair to say that the previous CHESS implementation didn’t live up to expectations and probably some people would use stronger language that I’m using now. Now we’re getting [TCF, sic] and Accenture to come in and advise us. My first question is, who on the Board has expertise to be able to deal with TCF and Accenture? Because I’m sure it’s a very, very complicated issues that they’re coming up with, or is it more TCF and Accenture are saying this is what we’re going to do, but we probably need Board members that are able to talk to TCF and Accenture in their own language.

I guess following on from that question, I guess you’ve got a Risk Committee and certainly in a company like this, one of the big risks is the importance of the underpinning of technology of this Company. So I would have thought that in the past the Risk Committee would have really highlighted the risks associated with keeping our technology up to date, efficient, able to expand to greater volumes and so forth and now we’re in a period of, I think you said transformation, which I think perhaps we should never have been in.

I know that you’re not – just another question, I’ll get them out of the way, but with the ASIC situation, you said you’re not going to comment on that but I think the fact that you haven’t commented on it probably says things that perhaps you don’t want to say, if I can put it that way. In a lot of cases where there is that sort of commentary, a board would say we’re going to vigorously defend it or whatever, but I can understand that perhaps you’re not going to comment on it. But I guess it is a risk for us shareholders here.

Just on a personal note, when I invested in the ASX, I viewed it as a company that had, let’s say, a monopoly in an area, or close to. You might disagree with that and I thought, well – but the risk that I – I’ve learnt from this in the sense that there was a management risk here, a management and implementation risk and that in terms of technology, that’s one thing that you guys, if you get it right, will be a great deterrent from anyone else trying not come into this space. Anyway, that’s it.

Mr Roche: Look thank you for your questions and thank you for sharing your concerns. I think there’s a couple of things I can answer in response to that. I think in terms of asking about technology and on the Board, I think we’ve been pretty clear over the last three years and sitting beside me here are six new directors. Board renewal has been a very key area of focus of mine. We’ve talked extensively about the need around technology, transformation, risk management and financial markets and I think the appointments we’ve made have been very focused in that area. I’d also like to point out that we have some other boards in the clearing and settlement facilities that also play a very important role where we also have very deep, contemporary experience in exchange, understanding of exchanges, technology, markets and operations. So that has been very much a focus of mine over the previous period.

With regards to Board oversight, one of the things I established not long after becoming Chair was the Board Technology Committee. That Committee is Chaired by Dave Curran. You’ve heard from David previously his extensive experience inside large-scale technology projects and organisations implementing change and the Board Technology Committee provides a critical role overseeing what is a significant amount of work, has Helen’s outlined. Alongside with our Audit and Risk Committee, there is active oversight of those processes.

I would note your comments around the ASIC proceedings and I would just reiterate that unfortunately there is nothing more to say at this stage.

Mr [Font]: (Shareholder) Good morning, thank you, Chairman. [Stephen Font] is my name, representing [Seavale] Pty Limited. This might seem a bit odd because I’ve been a shareholder for a long time, but I’m bound to ask. If it ain’t broke, why fix it? What was wrong with our CHESS system that we had and where are we going to finish up? What sort of a system do we end up with after spending a heap of money? That’s one questions. Secondly is, are we ever going to recover the cost we’re sinking into this venture? Very concerned about the cost. I also thought when I invested in this Company that it was going to be first class, best management, the mob that sets the example for everyone else. So I’m disappointed in where we are at the moment. Thank you.

Mr Roche: Thank you, Stephen. Helen if I could ask you to provide an update on CHESS and what we’re driving there.

Ms Lofthouse: Yes, happy to. Look CHESS, as you rightly point out, the current CHESS is a system that works really well, I mean it’s been in place for a long time now and it is working really effectively to support the Australian market. The key challenge we have though is the limits on its scalability and our ability to change it as our customers’ needs change. So those are really the key constraints that mean that the time has come where we do need to do an update to it. Look, in evaluating the path that we’re on at the moment, we did a very wide ranging and thoughtful review to figure out what was going to be the right approach. We took some time to really look at a number of different options for how we could replace CHESS with a system that was going to deliver best in class capabilities to support Australia for a long time into the future.

Actually, as we went through that process, we were, I’d say, very pleasantly surprised to find that the TCS product actually serves already a lot of the needs that we have in Australia. In particular, one of the areas where Australia was absolutely world leading when the original CHESS was implemented is in having the individual shareholder accounts that many of you will be holding your ASX shareholdings in. That really was absolutely world leading when it was implemented and remains relatively unusual. But what we were pleased to see is that TCS actually – that’s a key area for Australia that TCS already supports, so it’s just one of the things that led us to conclude that it was going to be an effective choice for us going forward. It’s also been implemented in a number of other market infrastructure around the world very effectively.

So look, we’re pleased with TCS as the choice for the platform and whilst that’s a complex project with multiple stakeholders and it will take some time to complete, we still think that that’s the right thing to do to support the Australian market on into the future.

Mr [Font]: (Shareholder) The other part is, is there a payback for all the money we’re spending? Will we be able to charge more and get more money back?

Ms Lofthouse: Do you want me to take that? So certainly we clearly look very carefully at what we charge for the CHESS services and as you say, we’re investing substantially in that service to make sure that that provides the right capabilities for Australia going forward. We do publish individual accounts for those services, so we’re quite transparent about the return on equity for those services. Obviously the investments that we’re making in technology here are important and they’re part of the investments that support that business, so they typically are reflected in that pricing and in the accounts that you see published. We’ll also be publishing, going forwards though, comparative pricing as well so that you’re able to see – so that customers are able to see how our ASX pricing compares to other parts of the world too.

Mr Roche: If there are no more questions in the room, we’ll turn to questions received in advance or through the online platform.

Ms Lee: Thank you, Chair. There have been several questions which have been provided in advance. I will address these before moving to the questions received online. To one of our advance questions, there were several in relation to the Financial and Annual Reports that can be summarised as follows. Will ASX add more disclosures in its Financial and Annual Reports including management expense ratio or items such as employee wage increase data?

Mr Roche: Thanks for the question. We believe we have a comprehensive reporting process in place, including a monthly activities reporting that we provide to the market. Last year and we’ve talked extensively about our investor day and Helen’s talked about new five year strategy, so the annual investor day outlines our plans and progress on that annual investor day and that forms an important part of that. But our current annual reporting meets all of our regulatory reporting and we believe is appropriate as it currently stands.

Ms Lee: Thank you, Chair. There is another question provided in advance. The question is about goodwill. The question states: Can the goodwill costs outlined on page 97 of ASX’s Annual Report be amortised?

Mr Roche: Sure, I’ll take that. Goodwill is an indefinite useful life asset and is not subject to amortisation. But it’s subject to impairment and that’s tested on a semi-annual basis. We perform that as part of the Audit and Risk Committee process according to the standards and no impairment was required, that PwC also reviews the appropriateness of those impairments and reviews.

Ms Lee: Thank you, Chair. There is another question provided in advance. The question is: Why has the Board not provided for a dividend reinvestment plan for shareholders this year?

Mr Roche: Thank you. We’ve talked about our capital management settings. I mentioned my speech that we launched an ASX bond, we’ve set a dividend range of 80% to 90% and the DRP is there to provide flexible capital management opportunities and we’ll look at its use in the future if needed.

Ms Lee: Thank you, Chair. There have been several questions in relation to the IPO market. I’ll summarise it as thus. What impact does the low number of IPOs in the market have on the survival of the ASX and has the Board considered growing the Exchange by pursuing elements such as a merger with the Singapore Stock Exchange?

Mr Roche: Okay, that’s a – Helen and I will probably both address that topic. The IPO market is a really important market. I’ve spent a long time in financial markets and a long time around equity capital markets and I’ve seen some very, very good times and I’ve seen some fallow times. I think we believe the current IPO, we’re in a cyclical low. But what I really want to discuss is the really important role that public markets play. They provide liquidity, they provide transparency and if we think back to just a couple of examples over the last period, in 2008 in the COVID period, the critical role that public markets have provided resilience for Australian companies to raise capital and to grow or recapitalise.

I think Helen mentioned in her speech while the IPO market’s been quiet, we’ve also continued to grow with secondary listings and rights issues that have been supporting companies in M&A, in growth or their strategic opportunities. I might has Helen just to comment a little more on what we’re doing in that space.

Ms Lofthouse: Thanks, Damian. Yes, not a huge amount to add there, but I guess what I would say is that ASX competes on a global stage for listings and we do so really effectively actually. There are many markets in the world that look at ASX and wish that they had some of the settings and some of the capabilities that we have here. Certainly in secondary capital raising, that’s an area where we have world-leading settings and we’ve continued to see really significant capital raising there. I do think when we look at the reduced level of IPOs, definitely there’s been some analysis on where we’re at to try and evaluate what’s happening there and, you know, we have seen cyclical lows like this at times in the past, so I think it’s not unusual, particularly when you think about the broader macroeconomic conditions and the uncertainty that comes with raising capital into an uncertain interest rate environment where there’s question marks and certainly over the last couple of years, question marks about where interest rates might go and whether inflation will be settling down and what that might mean for the Australian economy.

IPOs is very much a market where confidence counts for a lot and I think that what we’re seeing is that there is the start of a recovery of that confidence and I talked about a little bit of the activity that we’ve seen so far in the first quarter and I’m hopeful that that’s the signs of green shoots of recovery. There’s certainly a few companies talking at the moment about their own IPO plans. So we’ll obviously all be watching that carefully, but I would just reiterate Damian’s point, the public listed markets are an incredibly important mechanism supporting Australia’s economy. They’re enabling efficient allocation of capital to attractive opportunities, transparency around pricing and of course the ability for all of us to access those investment opportunities as well. So very important and a big focus for us.

Ms Lee: Thank you. We have another question provided in advance. The question states: At present ASX Limited employs PwC as its external auditor. Does ASX intend to continue using PwC as its external auditor?

Mr Roche: So yes, PwC is our auditor. It’s worth pointing out that the lead partner is rotated every five years, so Sam Hinchliffe, who is here in the room, became the lead partner in FY24. PwC has been our auditor since – for 16 years, but the Board reviews and assesses PwC’s performance annually.

Ms Lee: Bear with me, Chair, I’m just moving towards the next question. Chair, we have received a question online from Stephen Mayne. I will read it I full. The question states: Thank you to Damian Roche for his many years of service, including as Chair. It is always helpful for investors to have access to some exit perspectives from retiring directors, especially chairs. In his final contribution as an ASX Group director, could Damian please comment on what he regards are the three best decisions ASX made during his time on the Board and does he have any regrets?

Mr Roche: I guess some reflections are that we are all shareholders in a really fabulous business with a great leadership team under Helen. A lot of people who are working really, really hard, who understand the importance of what we do matters, I think that drives the organisation day in, day out and every weekend when we have people upgrading, patching and testing systems to ensure the reliance of the market. I’m very proud of the organisation that where we’ve had issues, we’ve acknowledged them, we’ve addressed them, we’ve been very transparent about how we’re going to go about fixing them and I have every confidence in David and the Board and Helen and the leadership team moving forward.

Ms Lee: Thank you, Chair. On this item, we have another online question asked by Stephen Mayne. I’ll ask the question in full. The question states: Australia is in the midst of an unprecedented deluge of takeovers that has seen ASX listed entities fall by 170 or 7.4% to 2,124 entities since June 2022, including 20 straight months of declines. When was it last this low? The question further states: There have been 27 major takeovers of approximately 200 million completed this calendar year. The ASX is losing many longstanding names. There is a clear mispricing between public markets and private markets. Why are public markets not valuing ASX listed companies more highly? Does the incoming chair agree this is a problem for the nation? That is the question in full.

Mr Roche: Thank you, I think there’s a couple of things to point out and I think we addressed some of that earlier. It’s probably not for me to comment on individual share prices or what individual companies are thinking with regard to M&A activity, but I would point out the robustness of the ASX and its performance. I think much like the IPO market, the M&A market is also cyclical. But what I really want to focus on is the critical role of public markets, the roles they play in liquidity, transparency and price discovery and I believe that will continue to be the case.

Helen, is there anything you’d add there?

Ms Lofthouse: Probably the only thing I’d add is that M&A is a natural part of capital markets and just as listings and de-listings and M&A, that is part of a healthy capital market with the allocation of resources to the best opportunities. It’s worth nothing on some of the recent specific M&A activity obviously pleasing to see that in some of those cases where, with a takeover by a listed company, that there was a resulting dual listing in some cases on ASX as people have recognised the value of ASX as an ongoing capital market for their organisation. But I think, look, the focus for us is making sure that we continue to work with our customers, get the settings right, make sure we continuously improve the settings in the market so that this kind of natural ebb and flow of capital markets can work as effectively as possible.

Ms Lee: Thank you, Helen. Thank you, Chair. There are no more questions online.

Mr Roche: Thank you. As we have no further questions on this item, we’ll now receive the Financial Report and the Auditor’s Report for the National Guarantee Fund for the 2024 financial year. The Securities Exchange Guarantee Corporation, or SEGC, is the body responsible for administering the National Guarantee Fund. The *Corporations Act* requires the SEGC to have a copy of the audited financial statements of the fund laid bare before the AGM of each member of the SEGC. ASX is one of two current members of the SEGC. The statements have been published on our website. There is no vote on this matter. It is a discussion item only. I invite questions from shareholders in the room. Again, I ask that you please state your name and the name of anyone that you are representing today and then ask your question.

Are there any questions we received in advance or through the online platform?

Ms Lee: There are no further questions on this item.

Mr Roche: Thank you, Tracy.

The next item of business is to consider the Remuneration Report, which commences on page 52 of the 2024 Annual Report. The wording of the proposed resolution along with the direct and proxy votes for this item submitted prior to the meeting are now shown on the screen. As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. The non-executive directors unanimously recommend that you vote in favour of this item. The resolution on this item is advisory. However we take shareholder feedback into consideration when formulating ASX’s future remuneration policies. A voting exclusion applies to this resolution as set out in the Notice of Meeting.

As the screen behind me shows, based on the votes received ahead of the meeting, it is clear there is a level of dissatisfaction we need to address. It is disappointing to see that we will most likely receive a strike and we fully acknowledge that this is a signal for us to do more work and keep engaging. Feedback is important to us and over the past two years we have engaged widely. We’ve acted on what we’ve heard and have been on a journey to methodically refresh our governance, capability and rewards frameworks to ensure they are fit for purpose for ASX and they support the delivery of our strategic priorities.

In FY24 our focus was on executing our revised approach to managing and rewarding performance. This is supported by a detailed quarterly business planning process, which also includes reporting to the Board on progress made. The achievement of our strategic priorities is measured through the new ASX balanced scorecard, which provides stakeholders with greater visibility and detail regarding ASX’s objectives and its progress towards achieving them.

The Remuneration Report sets out the Board’s assessment of management’s 2024 performance against the objectives established at the start of the year. As I mentioned in my address earlier, we recognise that we need to continually consider if our remuneration framework is providing the right alignment and transparency. We’ve made a number of changes to the framework this year, however we are committed to having continued active engagement with our stakeholders to ensure we can keep making adjustments and improving. I will now take questions on this item of business. I invite questions from shareholders present in the room.

Mr Gregory: (Shareholder, ASA) For the last three years we have voted against the Remuneration Report, primarily due to shortcomings we saw in the STI. This year we are voting undirected proxies in favour. While we believe there is still work to be done, we now see positive changes and a willingness to consider the points especially relating to the milestones for the all-important transformation plan we raised on behalf of the many individual shareholders who invest in ASX.

A specific suggestion I’d like to make is that the regulatory compliance, which is just so fundamental to ASX’s operation, that in the future it be regarded as a gateway for STI participation and that opportunities to enhance the relationship with regulators be included as an item in the STI scorecard so that those two, the level of compliance is one level which is a gateway and doing a better job at creating a better relationship is an STI item.

I’d like to note that one of the STI scorecard metrics was revised quality market metrics and baselining. We assume that this is the foundation for the transformation plan and ask that this baseline and planned performance levels for these metrics be shared with shareholders at the earliest opportunity.

Mr Roche: Thank you, Peter and thank you for your engagement over this period, we’ve spent a lot of time with you thinking about the right measures and STI previously and I’d note your comments and I think we’ve said we will be considering those as we develop the scorecards moving forward and having the right metrics and how we consider those and other measures, so we’ll come back to you on that. With regards to the market metrics, that is something that Helen and her team are working on and will be sharing with you later in the year.

Mr Gregory: (Shareholder, ASA) Would it be possible for Helen just to give a broader explanation of what that headline means?

Ms Lofthouse: On the market quality metrics?

Mr Gregory: (Shareholder, ASA) Yes.

Ms Lofthouse: Certainly, yes. So for all of the various services that we provide, what we’re aiming to do is – and the work that we’ve done so far is trying to land what are good metrics to actually describe what quality looks like. Of course that’s complex and it depends on the service. But for example, for our cash market trading, there’s a range of different metrics that we’re using to evaluate the performance of the market and different types of liquidity measures, for example. What we’re working on refining at the moment is working with customers to test out which are the metrics that really matter most to people, that are most impactful for them, so that we can move towards publishing those key metrics and sharing them more broadly. Of course, as you point out from a strategic point of view, that’s really fundamental to making sure that the actions that we’re taking are actually improving market quality in the various services that we provide.

Mr Gregory: (Shareholder, ASA) Okay, thank you.

Male: (Shareholder) Thank you, Mr Chairman, I’m just back again, I’m sorry about that.

Mr Roche: That’s okay.

Male: (Shareholder) With the – just looking at those numbers there, I’m assuming that a large number of small shareholders are in that 26% and I’m just wondering whether we can put the percentage of shareholders who voted for in number and the percentage who voted against in number, so that we get an idea, because the four might be just 10 shareholders, for example. I don’t know, but just a thought, to give some sort of spread to say a lot of the institutions are voting for and a lot of little people are voting against or maybe that’s not the case.

Mr Roche: That’s something we can consider.

If there are no more questions in the room, we’ll move to questions received in advance or on the online platform.

Ms Lee: Thank you, Chair. We have a question that’s been received on the online platform being asked by Stephen Mayne. I’ll read the question in full. The question states: Did any of the five main proxy advisers, them being ACSI, Ownership Matters, Glass Lewis, ISS and ASA recommend a vote against any of today’s resolutions, including this Remuneration Report item? If so, what reasons did they give? Please don’t say proxy adviser reports are confidential. It is standard for companies to be across this detail on the voting recommendations and inform shareholders where relevant.

Mr Roche: Okay. It is actually confidential, Stephen. The proxy advice is provided by proxy advisers for their members who subscribe. But what I can point out, because it’s been made public in the media, is that ISS did recommend a vote against our Remuneration Report. That was the only disagreement across all of the resolutions we put forward. I would also note that all of the proxy advisers made comment on noting the improvement that we’ve made to our remuneration processes over the last couple of years.

Ms Lee: Thank you, Chair. We also received a few questions in advance of the meeting in relation to remuneration. They can be summarised as follows. How does the ASX justify the remuneration provided to executives this year when the organisation now faces a law suit from ASIC and shareholder returns have not increased?

Mr Roche: Thanks for the question. Look I understand people’s interest in the importance of remuneration and it’s really important that we understand your concerns. I’ve talked at length about how we listen and we’ve been actively engaging. I think it’s worth maybe pausing and taking a step back. When we paused the CHESS replacement program, your Board took several actions which we outlined last year to address accountability. We’ve also taken a number of measures to actually improve our reward framework to ensure that we’re thinking and ensuring we’ve got the right alignment between shareholders and incentivising our employees. We’ve made changes to our long-term incentive program and also broadened its application, we’ve made changes to our STI scorecard and we believe these changes and actions we’ve taken are right and appropriate.

Ms Lee: Thank you, Chair. There does not seem to be any further questions in relation to this agenda items.

Mr Roche: Okay, thank you.

The next item relates to the proposed grant of performance rights to Helen Lofthouse, ASX’s Managing Director and CEO. Details regarding the proposed grant are set out in the Notice of Meeting. The wording of the proposed resolution, along with the direct and proxy votes for this item submitted prior to the meeting are now shown on screen. As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. The non-executive directors unanimously recommend that you vote in favour of this item.

The performance conditions that apply to the proposed grant are outline in the Notice of Meeting and are based on the new long-term variable reward plan structure. We believe the performance criteria are appropriately demanding. They require that ASX must achieve an average annualised underlying return on equity of at least 13% over a four-year period, or a total shareholder return at the 51st percentile of its peer group before any performance rights will vest as shares. A voting exclusion applies to this resolution as set out in the Notice of Meeting. I will now take questions on this item of business. I invite questions from shareholders present in the room.

If there are no questions in the room, are there any questions we have received in advance or on the online platform?

Ms Lee: Thank you, Chair. On this agenda item, there are no other questions.

Mr Roche: Thank you. I will now move to the election of directors supported by the Board. ASX works hard to ensure that it has the right mix of skills and experience around the boardroom table. As I’ve expressed before, a key area of focus as part of our Board renewal has been to continue to strengthen the Board’s collective skills in a range of areas, such as financial services regulation, financial markets and services, risk management, corporate governance and public policy. I believe Wayne Byres and David Clarke make outstanding contributions in that regard. I would encourage you to support Wayne and David’s election today. Each director standing today has the unanimous support of their fellow directors.

The next item of business is the election of Wayne Byres. The wording of the proposed resolution is shown on the screen along with the direct and proxy votes for this item submitted prior to the meeting. Wayne was appointed a director of ASX by the Board in May 2024 and offers himself for election today. As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item.

Wayne joins the Board as an experienced leader and with extensive domestic and international expertise in Australia’s financial system, financial services regulations, risk management, governance and public policy. His experience spans as Chair of Australian Prudential Regulatory Authority where he also served as APRA’s representative on the Reserve Bank of Australia’s payment system board and as a member of the Australian Council of Financial Regulators. Further information about Wayne’s skills and experience can be found in the Notice of Meeting. The directors, with Wayne abstaining, unanimously support Wayne’s election. I now invite Wayne to say a few words.

Mr Byres: Thank you, Damian and good morning ladies and gentlemen. I very much welcome this opportunity to speak with you today regarding my nomination for election as a director of ASX. As you well know as shareholders, ASX is an institution of national significance. It plays a central role in the Australian financial system, providing critical infrastructure essential for stable, reliable, fair and efficient capital markets in this country. It’s a challenging job, but one that if it’s done well, provides not just value to shareholders, but also value to market participants and their clients and supports obviously broader economic prosperity for all Australians.

So I’m seeking your support to serve on the Board of ASX at a time of considerable change. Some of that change the ASX is driving itself through the ambitious five-year strategy that Helen has spoken about. It’s a strategy that focuses on the technological, cultural and people-related changes that provide the foundations for ASX’s future success. Other changes though are externally imposed and they’re things like the shifting macroeconomic environment, volatility from geopolitical events, evolving regulatory landscape and changing competitive dynamics. Navigating all of that is going to require a multitude of skills, a high degree of diligence and a real team effort.

Now I was invited to join the Board in May, as Damian said. Since that time, I’ve observed a Board and the management team that is fully committed to meeting those challenges head on, as well as remedying legacy issues and with a focus on making the right strategic decisions and investments today in order to deliver long-term sustainable success. I think it's clear to me, it has been clear to me, that the organisation understands fully that the ASX standing and its reputation rest on delivering our obligations and promises to all of our stakeholders.

So I believe my background and experiences can help the ASX navigate the next stage of its strategic journey. As Damian alluded to, my entire professional life has been involved in shaping the architecture of the Australian and, in some cases, international financial system. As Damian noted, my career started – he said 30 years ago, but actually 40 years ago in the Reserve Bank before shifting to the Prudential Regulator, APRA, when it was created in the late ‘90s. Along the way I’ve had stints at the Bank of England and the Bank for International Settlements and then most recently was chair of APRA from 2014 to 2022, which meant I also served on the Council of Financial Regulators and the payment system board. Since leaving the public sector, besides the ASX, I’m now also a non-executive director at Macquarie Bank and I serve on its risk, audit and governance committees.

So I therefore believe I bring to the Board a deep understanding of the Australian financial system and the role that the ASX plays within it, as well as leadership experience, strategic thinking and an international perspective. I bring skills in risk management, organisational change and stakeholder engagement and a very strong appreciation of the importance of good governance. I’m also obviously well versed in the heightened regulatory settings in which the ASX is increasingly required to operate. So I very much enjoyed my brief time on the Board so far, I’ve been excited by the potential opportunities for the ASX, I have the time and the capacity to fully commit to serving as one of your directors and I humbly ask for your support today to allow me to continue to do so. Thank you.

Mr Roche: Thank you, Wayne. I will now take questions on this item of business. I invite questions from shareholders present in the room.

Mr Gregory: (Shareholder, ASA) Wayne, thank you for putting yourself forward as a director of this very important and valuable company. Having completed your due diligence before accepting the invitation to join ASX as a director, can you please tell shareholders what specific additionality it is that you bring to the Board and also, what exciting opportunities you see for ASX that are particularly exciting for you and how you will contribute to turning these into a reality?

Mr Byres: Thank you. I think I touched on, in my remarks, the sorts of skills that I think I bring to the Board. Obviously a strong knowledge of the regulatory framework and the regulatory environment in which the ASX operates, experience in understanding and indeed playing a role in designing the Australian financial system, overseeing it, experience in leadership, experience in strategic thinking and an international perspective.

In terms of the opportunities that I saw in ASX, I think there are many. There is obviously a focus at ASX in terms of the technology challenge we have before us, but there are many other opportunities for the ASX and they range from simply running the business better and that goes to the great fundamentals component of the strategic plan that Helen talked about; the ability that we have coming up shortly to significantly improve our ability to attract and retain good people through changes to the work environment that come from a new office and the ability to right size and right design our working environment; new products and services, the ASX is a data-rich organisation and in this digital world that we’re in, data is extremely valuable, the challenge of course is to work out how to make use of it, to draw insights from it and to monetise that capacity, but the ASX has certainly got the foundations there to be able to take advantage of that; then of course, as Helen touched on before, the tailwind of the energy transition that we’re making in this country and the ability of the ASX to play a really important role in helping people to price and manage the risks that come from that transition. So they’re just a few of the issues that I think provide great opportunities for the ASX going forward.

Mr Gregory: (Shareholder, ASA) Okay, thanks Wayne.

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

Ms Lee: Thank you, Chair. We do have one question online. It refers to Mr Byres and so we have put it against this agenda item. It has a few components. I’ll read it out now. It’s from shareholder Stephen Mayne. The question reads: We have 55,509 shareholders but approximately 1,500 of them voted at least year’s AGM. As a former federal regulator, Wayne Byres knows that politicians wouldn’t tolerate a 97% no show in elections, so why do we? One way of tackling tiny retail voting rates is to disclose how many shareholders voted. Also, would ASX consider disclosing the proxy position along with the formal addresses to offer more timely market disclosure?

Mr Roche: Thanks, I might take that. So it was just coming back to an earlier question. At the end of the meeting, we will disclose by number, by the individual shareholder number, the voting. We’re not in a position to do that at the start when we disclose behind us. But Stephen that was one of the conversations that we’ve had over the last couple of years and implemented and at this stage we don’t intend to make proxy positions clear before the Annual General Meeting.

Ms Lee: Thank you, Chair. There are no more question on this agenda item.

Mr Roche: Thank you. The next item of business is the election of David Clarke. The wording of the proposed resolution is shown on the screen along with the direct and proxy votes for this item submitted prior to the meeting. David was appointed a director of ASX by the Board in September 2024 and offers himself for election today. As set out in the Notice of Meeting, I intend to vote all open proxies in favour of this item. David brings to the Board his extensive strategic, financial and management experience. His experience spans roles as Chief Executive Officer of Investec Bank Australia Limited, Allco Finance Group, MLC Limited and Lloyds Merchant Bank of London. He held a number of senior roles at Westpac Banking Corporation, including Chief Executive of BT Financial Group. David also brings deep Board experience of almost 20 years.

Further information about David’s skills and experience can be found in the Notice of Meeting. The directors, with David abstaining, unanimously support David’s election. I now invite David to say a few words.

Mr Clarke: Thank you, Damian and good morning everyone. As you heard, I was appointed to the Board in early September and if elected, I’ll assume the role of chair at the conclusion of today’s general meeting. My experience is set out in the Notice of Meeting, but in summary, my executive and director career has almost been exclusively in regulated financial services organisations, ranging from banks, investment banks, life insurance companies, fund managers and insurance brokers. Most recently I’ve been the chair of two listed entities, being Charter Hall Group and AUB Group, as well as the chair of two unlisted entities. I’m about to retire in the next month, in the next week from one, but in the next month from both of those entities of which I chair which are listed on the stock exchange.

During the time I’ve been chair of those two listed entities, I’ve had the opportunity to support and lead those companies over a period where they both navigated individual challenges. Notwithstanding those challenges, both have delivered excellent returns to their shareholders. I was enthusiastic to join the ASX Board because of the crucial role it plays in the efficient functioning of Australia’s financial markets. It’s already been mentioned that the ASX is a critical part of Australia’s financial infrastructure. Running an exchange that delivers high levels of operational resilience and reliability is a daily challenge and achievement and it’s one of the attractions of joining the Board. The stakes are understandably high and rightly so.

As chair, my role is to work with the CEO and the Board colleagues to have a well ordered, thoughtful, enquiring governance structure that matches the human and capital resources of the Company with the business opportunity we’re facing into and all the time conscious of working within the appropriate risk appetite. I’m very much aware of the challenges ahead for ASX, they’ve been well commented on in the lead up to this AGM and you can see how complex they are from the commentary that’s been shared this morning. As I looked at the opportunity to join the Board, I saw a Board and executive team at work on establishing and executing to deal with those challenges and while there remains much work to do, progress is being made in various parts of the business.

To that point, I’d like to acknowledge the work that Damian has done as Chair in recent years, as he’d directed the refresh of the Board and along with Helen as CEO, increasing the bench strength and expertise of the executive team. There’s been a continued focus on the relationships ASX has with its various stakeholders, particularly regulators, we’ve heard some of that this morning and I’d like to assure shareholders that your Board and management team are and will continue to be very, very conscious that we must perform for the owners of the Company as well.

However, I would ask shareholders to understand that the role of the Company at the heart of Australia’s financial markets also comes with wide obligations to a various number of stakeholders, which must be met for us to build long term, sustainable shareholder value. If elected, I assure that I will work along with my colleagues on the Board and the management team to successfully navigate the challenges that are ahead of us and continue to grow this Company. Thank you.

Mr Roche: Thank you, David. I will now take questions on this item of business. I invite questions from shareholders present in the room.

Mr Gregory: (Shareholder, ASA) Thank you, David. I was going to ask you about your intentions with other directorships and chairmanships that you have, so I’m pleased to hear that you’ve proactively dealt with that and I don’t need to ask it. I want to put to you the same question I put to Wayne, that is, having completed your due diligence before becoming an ASX director, can you please tell shareholders what specific additionality you will bring to the Board and what are the most exciting opportunities you see for ASX and how will you contribute into turning those into a reality?

Mr Clarke: Well, let met – I see that as a question in two parts, so the first part, what do I bring and if I can extend that to say how might I approach it, so I’d start with saying I’ve had considerable experience as a non-executive director going right back to 1998, which was a long time ago, but in particular in recent times, experience as chair. So I want to make sure that we continue as a Board to have – that we balance the needs of all of our stakeholders and as you keep on hearing this morning, there are a variety of those associated with this business, given that it’s got its central role in financial markets.

Clearly support the management team in the execution of their strategy, successfully execute a series of tech upgrades, a lot of focus on CHESS, but there’s others and significant other upgrades commencing and continuing as well. Make sure there’s an uplift in our risk culture, which has been a key focus of the regulators. Then if I put all those together, balance those priorities to ensure that there’s long term value created for our shareholders. I think that those things and my ability to work with the Board and the management team to ensure that those objectives are met is informed by the period that I’ve been on other boards and in particular the periods where I’ve been chair, through times where not everything has gone smoothly and it’s required a consistent approach from the Board, with the management team, in order to achieve those outcomes.

I think to the second part of your question, which was I think associated with growth of ASX, we’ve heard many of the components spoken about already today, so I don’t really want to go into a great deal of depth and repeat what others have said, but we are, as has been said, a fundamental core of the financial market system. The transparency associated with listed stocks, bonds, futures, is something that is very difficult for any other piece of financial markets infrastructure to replicate. So I think that’s a huge plus for us and while it’s been pointed out we’re at something of a low point in respect of IPOs, we have seen low points before. Financial markets are cyclical, we understand that and we can see those coming back I’m sure at some point in the future. Helen’s already talked about early indications that we can see some uplift hopefully coming as financial markets become less volatile and there’s more certainty around the future of interest rates and financial markets. So I think I’ll leave it there and hopefully that’s answered your question.

Mr Gregory: (Shareholder, ASA) Thank you, David.

Mr Roche: Thank you, Peter. If there are no more questions in the room, Tracy are there any questions we’ve received in advance or through the online platform?

Ms Lee: Yes, thank you, Chair. We have received a question on the online platform from Stephen Mayne. The question reads: Charter Hall and AUB Group, the two ASX 200 companies which David Clarke currently chairs, do not offer their thousands of shareholders hybrid AGMs, which is best practice in terms of maximising shareholder participation at AGMs. As the new Chair of ASX, could Mr Clarke undertake to maintain the continuation of hybrid ASX AGMs for the duration of his chairmanship?

Mr Roche: Thank you, Stephen for that question, I’ll take that. I’ll leave Charter Hall and AUB to discuss at their annual general meetings and I’m sure that David will continue our process for conducting AGMs.

Mr Clarke: Yes.

Mr Roche: Yes, thank you.

Ms Lee: Thank you, Chair. On this item there was one other online question also from Stephen Mayne. The question reads: What was the process through which David Clarke was selected by the Board to be Chair-elect without any prior experience inside the ASX boardroom? Was a recruitment firm used and did the full Board interview any other external candidates? Second part of the question is: Whilst Allco Finance Group was already well underway to a debt default when the GFC hit in 2008 and before Mr Clarke came in as Allco’s final CEO, could Mr Roche comment on the Board’s assessment of the optics of appointing a former CEO of a failed ASX 200 company to chair the Group?

Mr Roche: Thank you for that question, Stephen. We’ve talked extensively about our Board renewal process, We have a very robust process undertaken by the Nomination Committee. In this particular case, I was not involved in the chair renewal process. That was conducted by the chair of the People and Culture Committee, as is right and appropriate. We engaged external consultants in that process and once again, I’d point out the significant amount of renewal that’s been underway. I think David sort of exemplifies the high calibre directors that sit before you today, with his significant experience chairing significant companies with very strong performance and the Board unanimously endorses his experience, his judgment and his wisdom.

Ms Lee: Thank you, Chair. There are no more questions on this agenda item.

Mr Roche: Thank you. I will now move to the election of Board candidates who are not endorsed by the Board. In accordance with Article 12.9 of the ASX Limited constitution, two external non-Board endorsed candidates, Mr Philip Galvin and Mr Robert Caisley have self-nominated for election. The Board has a succession planning process to identify and nominate potential directors in a professional and structured manner. The Board, supported by the Nomination Committee, reviews the size and composition of the Board, having regard to the Board’s skills matrix and the objective that the Board comprise a mix of skills expertise and experience and diversity required for the Board to discharge its obligations effectively.

As part of its succession planning and commitment to refresh talent, skills and experience on the Board, the Board has appointed two new directors in 2024. Looking back over the last three years, we have appointed six new non-executive directors in that time to provide a fresh and contemporary set of skills to support ASX in its new era. All of the current directors have been chosen after extensive searches and thorough background checks have been conducted, with the support of a professional services firm. The Board is satisfied that the current composition of the Board aligns with ASX’s strategic objectives and it enables it to govern effectively on behalf of shareholders in the best interests of the Company.

The Board has carefully considered each self-nominated candidate and we recognise and appreciate the passion and commitment they’ve expressed for ASX’s continued success as motivating them to stand today. However, for reasons set out in the Notice of Meeting, the Board does not support the election of either candidate to the Board.

The next item of business is the election of non-Board endorsed candidate, Mr Philip Galvin. The wording of the proposed resolution for Mr Galvin is shown on the screen, along with the direct and proxy votes for this item submitted prior to the meeting. Further information about Mr Galvin’s skills and experience can be found in the Notice of Meeting. As set out in the Notice of Meeting, I intend to vote all open proxies against this item. I now invite Mr Galvin to say a few words.

Mr Galvin: Thank you, Chair. Good morning, shareholders. Yes, for those shareholders that actually voted for the election of both Bob and myself, I thank you for believing that we would have been able to make a net positive contribution. I think our election would have been in a justifiable risk mitigation approach with regards to four topics that I think shareholders may have undercooked, so let me just whip through them. Firstly, the CapEx program, for the five year term, I reckon there’s at least $800 million that this Company wants to spend on CapEx. By my reading, point number two would be it’ll be cash funded through a combination of reduced dividends, additional debt raisings and possibly a share issue, which would probably dilute and I doubt dividends will ever recover from the depreciation charge that will come out of that massive number.

Thirdly, the RBA assessment of operational risk, this comes out of their assessment of the clearing and settlement facilities, their annual review and their operational risk category covers technology, basically all technology and all risk-related matters. What I’d like to do is just give you a bit of an idea about what’s going on there. In 2001, each of the four clearing facilities were assessed as only partially observing their regulatory obligations, that’s 2021, sorry. In the following three years, that classification has not improved. In the latest report, 2024, each of the clearing and settlement facilities is still rated as only partially observed.

Okay and let me just read exactly what the Board to say on that matter. I think it’s worth actually bringing it to the highlight of shareholders because unless you’ve actually read the report and it’s pretty dry, you may not have picked this up. This is what they had to say regarding board oversight. The review found that papers provided to the boards, particularly those relating to technology and risk-related reporting, were overly long, technical and did not sufficiently highlight key issues for the Board’s attention. This is a cracker this one: this is a longstanding issue of concern.

The fourth point that I think hasn’t been given enough weight is the recently legislated financial markets infrastructure bill. It got promulgated mid-September and it now gives the RBA and ASIC powers that if ever exercised, would actually decimate shareholder positions. If we ever threaten market integrity like we did with CHESS number one, the step in capability of both ASIC and the RBA is just truly horrible. So they’re the four points I think shareholders may have undercooked. Anyway, from my perspective, I think they were just worthy of bringing to shareholders’ attention.

Lastly, just addressing the Board as a proxy shareholder, from the Notice of meeting against Bob and myself, you’ll see that the vote was unanimous. To me this sends a signal that the Board has self-assessed that it has all the technology and project governance expertise that it needs at this time. Personally I think this represents a lost opportunity for the 10 individual Board members to personally de-risk their involvement in what is nothing short of a massive technology and project program over the next few years.

Of all the Board members, it appears to me that Dave Curran could have sufficiently technical understanding of the recently created technology subcommittee, because it looks like somebody took a technical technology thesaurus and just identified everything they could and it makes sense that he’s the chair, but I’d be amazed if anyone else understood what was in that mandate. So I presume that the other four members of the committee rely very heavily on David and I suspect he gets very tired of explaining things to both the other technology committee members and to the rest of the Board when things have to go up to the Board for main briefings.

I would have thought that of the other nine Board members, they might have actually given some thought to providing support to two members who could have actually backstopped David, but they haven’t and I actually thought David might vote in our favour as a way of being able to actually bolster some support on technology and project matters within the technology subcommittee and the main Board. Thank you very much.

Mr Roche: Thank you, Mr Galvin. I will now take questions on this item of business. I invite questions from shareholders present in the room. Are there any questions that we received in advance or through the online platform?

Ms Lee: Thank you, Chair. There are no questions at this time.

Mr Roche: The next item of business is the election of non-Board endorsed candidate, Mr Robert Caisley. The wording of the proposed resolution for Mr Caisley is shown on the screen, along with the direct and proxy votes for this item submitted prior to the meeting. Further information about Mr Caisley’s skills and experience can be found in the Notice of Meeting. As set out in the Notice of Meeting, I intend to vote all open proxies against this item. I now invite Mr Caisley to say a few words.

Mr Caisley: Thank you, Chairman. Good morning, shareholders. I endorse my colleagues comments and as the Chairman said, my experience is set out in the Notice of Meeting. I believe, as my colleague Phil said, it is a missed opportunity to leverage my skills and experience in the exchange technology industry to help support the Board in this significant strategic technology modernisation program that ASX is undertaking. Nonetheless, I wish the new Chairman, the Board and the Company all the best for success in the future and remember, my door is always open.

Mr Roche: Thank you, Mr Caisley. I will now take questions on this item of business. I invite questions from shareholders present in the room.

Mr Gregory: (Shareholder, ASA) I’d like first of all to say that we’re not supporting the election of these two candidates, but like to explain that this is not because we don’t think each of these has some positive qualities to bring to the Board, but rather because given the significant transformation process that has just commenced, we would prefer to see the team – and emphasis on the word team – of the endorsed Board and the almost all-new executive to be held accountable for collectively and urgently getting on with the job at hand without the possible distraction of having two additional members of the Board that weren’t actively supported by the Board.

Damian, you’ve explained before the process that you went through to determine whether these people were appropriate for the Board or not, but I would like to refer to Mr Caisley’s nomination and I assume his nomination was received by the appropriate due date and like to understand why the Notice of Meeting says that there wasn’t sufficient time for the Board to exercise usual processes before publication of the Notice of Meeting. As a comment, I find it difficult to understand why the Board would not have allowed itself sufficient time to do that proper process, but more importantly, make the statement that it does raise a concern about, at a Board level, ASX’s approaches to dealing with having appropriate processes in place and followed.

Mr Roche: Thanks Peter. Look I would point out that I do believe we have appropriate processes in place. I think the matter you’re referring to there is under the ASX constitution and our listing rule, we close applications for self-nominating two months before the AGM. But we also have to get our Notice of Meeting out 28 days before the actual AGM. So when a candidate applies at the very last moment that creates a very, very compressed timeframe. But I think I’ve talked to you in previous years around we recognise the importance of all shareholders or anyone who wishes to nominate as a director, so we take that process very seriously. We engaged with our external consultants, we run the process appropriately through our Nomination Committee and consider there. But I think what you’re referring to is the timing issue.

Mr Gregory: (Shareholder, ASA) That’s correct, yes.

Mr Roche: Thank you. Are there any questions we’ve received in advance or through the online platform?

Ms Lee: Thank you, Chair. There is one question received on the online platform from Stephen Mayne and it is largely directed at the nominated candidate. The question reads: Could Robert comment on whether he believes ASX ran a fair election process? As a fellow regular external candidate for Board, does he agree that it is annoying how public companies label challenging candidates self-nominated? Final part of the question: Does he also agree that retail voter turnout is embarrassingly low in part because very few notices of meeting and ballot papers are snail-mailed to shareholders these days?

Mr Caisley: I think I’ll respond to the first part of that question really. Yes, the process I went through, as Damian said, I applied at the last moment. I was interviewed by Damian and by Melinda and I think the process appeared fair and above board to me. There was a very stringent, long and detailed background check that needed to take place and I think those are the sorts of things a Board must do. So in terms of notice of meetings and who turns up, I think I would leave that more for the Chairman to respond to.

Mr Roche: Thank you. Tracy, do we have any other questions online?

Ms Lee: There are no more questions.

Mr Roche: Okay. That concludes the formal items of business for this meeting. A reminder to shareholders and proxyholders in the room to complete the voting instructions on the back of the yellow voting card. Yellow voting cards will be collected shortly by representatives of the share registry. The poll will close five minutes after the conclusion of the meeting. As mentioned earlier, the results of the AGM will be announced to the ASX once the votes have been counted and verified.

Ladies and gentlemen, I now formally declare the 2024 AGM of ASX Limited completed, subject to the finalisation of the poll. Once again, thank you for participating in today’s meeting and for your support of ASX.

**END OF TRANSCRIPT**