

Market Announcement

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ASX COMMITS TO STRATEGIC PACKAGE OF ACTIONS FROM ASIC INQUIRY AND \$150M CAPITAL CHARGE

Today ASX has committed to a strategic package of actions with the Australian Securities and Investments Commission ("ASIC") ("Commitments"). These Commitments address the findings contained in an interim report ("Interim Report") from the expert ASIC Inquiry Panel ("the Panel"), appointed in June 2025, and are designed to deliver confidence in ASX as a provider of critical market infrastructure.

The **Interim Report** from the Panel was released today and it contains a series of findings and recommendations. ASIC has confirmed the strategic package of actions is its response to the Interim Report. ASX has agreed to the Commitments, and **a letter reflecting this agreement** was published today.

While today's Interim Report contains the substantive conclusions from the Inquiry, the Panel will deliver a final report by 31 March 2026 as outlined in the Inquiry's terms of reference.

Key points

- Strategic reset of Accelerate Program with updated scope to be agreed with ASIC and Reserve Bank of Australia (RBA)
- ASX to ensure the Boards of the clearing and settlement facility licensees are comprised of only independent, non-ASX Limited directors
- ASX is required to accumulate additional \$150 million of capital above net tangible asset ("NTA") value by 30 June 2027 until agreed milestones in the revised Accelerate Program are completed to the satisfaction of ASIC
- Guidance commentary:
 - > Dividend payout ratio policy range now between 75% and 85% of underlying net profit after tax and is expected to be at the bottom end of this range for at least the next three dividends which, combined with the operation of a discounted dividend reinvestment plan, is expected to fund the additional capital requirement
 - > Medium term underlying return on equity ("ROE") target range now between 12.5% and 14.0%
 - > No change to guidance for FY26 total expense growth or FY26 and FY27 capital expenditure
 - > FY27 total expense growth guidance will be provided at our June 2026 Investor Forum and will be informed by these Commitments

Strategic reset of ASX's Accelerate Program

ASX established the Accelerate Program earlier this year in recognition of the fact we had not made enough progress on some key parts of our Group transformation strategy – particularly in relation to operational risk management and resilience, and the culture change needed to support this.

Accelerate is a multi-year undertaking and the Panel has recommended that the program should undergo a strategic reset by 1 July 2026. The reset will enable ASX to expand existing scope to take into account the findings and recommendations of the Panel report.

While the scope for Accelerate to date has been focused on remediation, we embrace the Panel's desire for ASX to demonstrate greater aspiration for our overall strategy.

Strengthening governance and enhancing independence of the clearing and settlement functions

ASX has committed that the ASX Clear, ASX Settlement, ASX Clear (Futures) and Austraclear Boards will be fully comprised of only independent, non-ASX Limited directors.

This change will be implemented through an orderly board renewal process of appointing new non-ASX directors and progressively transitioning ASX Limited directors from the boards of the CS facilities. The newly constituted CS facility boards will be supported by dedicated resources with clearly defined shared services support from ASX group.

Revised regulatory approach

The Panel's recommendation for a new regulatory approach is centred on the establishment of a joint supervisory model between ASIC and RBA. We welcome the Panel's recommendation for this joint approach to future supervisory work over ASX and we note that the new model will be key to agreeing the revised Accelerate program.

Changes to ASX's regulatory capital requirements

ASX currently meets all regulatory capital requirements.

However, ASIC has now imposed an additional capital charge of \$150 million in NTA¹ on ASX to reflect the elevated risk profile arising from the issues identified in the report. ASX will accumulate the additional capital by 30 June 2027. This capital is required to be held by ASX until milestones identified in the reset Accelerate Program are completed and ASIC approves its staged reduction or release.

To enable ASX to address the capital charge, ASX is making the following changes to its dividend policy:

- Dividend payout ratio policy range, previously between 80% and 90%, is now between 75% and 85% of underlying net profit after tax. The payout ratio is expected to be at the bottom end of this range for at least the next three dividends.
- In addition, the Board plans to operate a discounted dividend reinvestment plan for at least the next three dividends.²

The increased regulatory capital requirement will impact underlying ROE, with ASX's medium term target range now between 12.5% and 14.0%, having previously been between 13.0% and 14.5%.

FY26 expense growth and capital expenditure ("CAPEX") guidance unchanged

- Total expense growth is expected to be between 14% and 19% compared to FY25. This includes operating expenses of between \$25 million and \$35 million which relate to our response to the ASIC Inquiry.
- Excluding these additional costs, core business expenses are expected to be towards the upper end of both the 8% to 11% range for total expenses and the 4% to 7% range which excludes depreciation and amortisation.
- FY27 total expense growth guidance will be provided at our June 2026 Investor Forum and will be informed by these Commitments.
- CAPEX is expected to be between \$170 million and \$180 million in FY26 and between \$160 million and \$180 million in FY27, and then our aim is for it to start to reduce as our investments deliver a modern, sustainable and

¹ As at 31 December 2025.

² Subject to determination by the Board to pay a dividend for each period. DRP participation rate assumed to be ~15%.

resilient technology environment. We are committed to continuing our technology investments to ensure future-ready market infrastructure. As CAPEX is primarily to support our technology modernisation program, inherent delivery risks in the program may impact this guidance.

ASX Chair David Clarke said: “Today’s agreement is significant for ASX. While the Panel’s report was challenging reading, our commitment to the strategic actions will provide the reset needed for ASX to ensure we deliver resilient market infrastructure for Australia.

“The panel has pointed out the need to strengthen leadership and we are committed to doing this at all levels of the organisation to deliver these outcomes.

“Addressing the findings in the Panel’s Interim Report and successfully implementing the strategic package of actions is the highest priority for Board and management. Demonstrating diligent and disciplined execution is what will build confidence in ASX and we must earn the right each day to be the respected stewards of critical market infrastructure.

“We know transformation takes effort and persistence.

“Today’s agreed commitments to the strategic package of actions provide an important foundation for our future work.”

ASX Managing Director and CEO Helen Lofthouse said: “There is no doubt this is a tough report. It has placed ASX under a critical lens and the assessment from the Panel is that we must get better. We’re driving that process now and it is clear we will need to lift leadership at all levels to deliver.

“We are aligned with the Report on the need to transform and that has been the driving force behind our strategy, including our significant investment in technology modernisation. This reset gives us further impetus to bring about deep and lasting change.

“These actions should be a clear signal to the market that ASX is committed to delivering the transformation necessary for resilient and future-ready critical market infrastructure.”

Conference call details

ASX management will host a conference call, including a question-and-answer session for investors and analysts at 11.00am (Sydney time) today. Register to join the conference call [here](#).

1H26 results announcement

ASX will announce its 1H26 results on 12 February 2026.

Release of market announcement authorised by:

Board of ASX Limited

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