

Guidelines for Dealing in Securities

Guidelines for Dealing in Securities

Table of Contents

1. PURPOSE AND APPLICATION	3
2. THE INSIDER TRADING PROHIBITIONS	3
3. DEALING IN AUSNET SERVICES' SECURITIES.....	5
4. OTHER RESTRICTIONS.....	7
5. EXEMPTIONS.....	8
6. QUESTIONS OR FURTHER ADVICE	8
7. CHANGES TO THESE GUIDELINES	8
8. SCHEDULE OF REVISIONS.....	9

Guidelines for Dealing in Securities

1. PURPOSE AND APPLICATION

1.1 Purpose

These Guidelines set out AusNet Services' policy on, and establish procedures for, dealing in AusNet Services securities by Relevant Persons (as defined below). A key purpose of the Guidelines is to assist Relevant Persons to comply with their legal obligations relating to securities trading, including by restricting the opportunity for Relevant Persons to trade when they may be in possession of non-public, price sensitive information.

These Guidelines are also designed to preserve AusNet Services' reputation in the investment market, and minimise the chance of the creation of any perception or suspicion that Relevant Persons are able to take advantage of their position.

1.2 Application of Guidelines

These Guidelines apply to:

- (a) all Directors and other officers of AusNet Services;
- (b) all executives and senior management of AusNet Services;
- (c) all other employees of AusNet Services; and
- (d) all contractors engaged in AusNet Services' Head Office at Freshwater Place, Melbourne and other contractors who are informed by AusNet Services that the Guidelines apply due to the nature of their work,

and their associates (as defined by the Corporations Act) (collectively, **Relevant Persons**).

For the purposes of clause 1.2(d), all contractors engaged in AusNet Services' Head Office at Freshwater Place, Melbourne, and other contractors to whom these Guidelines are intended to apply, must be provided with a copy of these Guidelines as part of their induction process and each such contractor must provide a written acknowledgement that they will comply with the Guidelines.

These Guidelines also apply to:

- (a) AusNet Services securities (as defined below);
- (b) other companies' securities if a Relevant Person has inside information; and
- (c) products or arrangements which operate to limit the economic risk of holding AusNet Services securities.

For the purposes of these Guidelines, "AusNet Services securities" includes shares, options, derivatives, managed investment products and other financial products or instruments that are able to be traded on a financial market.

2. THE INSIDER TRADING PROHIBITIONS

2.1 The insider trading prohibitions

If a Relevant Person has "inside information" (as defined in paragraph 2.2 below) relating to AusNet Services and the Relevant Person knows, or ought reasonably to know, that the information is "inside information" (as defined in paragraph 2.2 below), that person must not:

- (a) apply for, buy, sell or otherwise deal in AusNet Services securities or enter into an agreement to do so; or

Guidelines for Dealing in Securities

- (b) advise, encourage, incite, induce or otherwise procure another person (for example, a family member, friend, family company or trust) to apply for, buy, sell or otherwise deal in AusNet Services securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to another person if the Relevant Person knows or ought reasonably to know that the other person would or would be likely to use the information to engage in the activities specified in paragraphs 2.1(a) or (b) above.

These general prohibitions are overriding obligations and **apply at all times**.

In addition, Relevant Persons should seek to ensure that third parties (for example, external advisers) who come to possess inside information preserve its confidentiality and do not trade whilst in possession of that information. This will usually be achieved by means of a written confidentiality agreement.

2.2 What is “inside information”?

Inside information is information relating to AusNet Services which is not generally available (as defined in paragraph 2.3 below) but would, if it were generally available, be likely to have a material effect (increase or decrease) on the price or value of AusNet Services securities (judged by the expectations of a reasonable person). Information is considered to be likely to have a material effect on the price or value of AusNet Services securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to apply for, buy, sell or otherwise deal in AusNet Services securities.

Inside information can include matters of speculation or supposition, matters which are insufficiently definite to warrant being made known to the public and matters relating to the intentions or likely intentions of a person.

Examples of possible inside information include, but are not limited to:

- information regarding a material increase or decrease in AusNet Services’ financial performance from previous results or forecasts, such as changes to profit results and dividends;
- a proposed material business or asset acquisition or sale, merger or takeover;
- the damage or destruction of a material operation of AusNet Services;
- proposed material legal proceedings to be initiated by or against AusNet Services;
- outcomes of regulatory price reviews and any appeals of regulatory price reviews;
- regulatory action or investigations undertaken by a government authority;
- the launch of a material new business or the cessation or winding up of a material part of the business;
- a proposal to undertake a new issue of securities or major change in financing; or
- a major incident involving the electricity or gas distribution or electricity transmission networks of AusNet Services, or those connected to them.

Guidelines for Dealing in Securities

2.3 When is information “generally available”?

Information is “generally available” if:

- (a) it consists of readily observable matter;
- (b) it has been made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it may be deduced, concluded or inferred from the above.

For example, information will be generally available if it has been released to the ASX or published in an Annual Report, prospectus and/or product disclosure statement, and a reasonable period of time has elapsed after the information has been disseminated.

2.4 Consequences of breaching the insider trading prohibitions

A breach of the insider trading prohibitions could subject Relevant Persons (or their associates) to criminal and civil liability under Australian law.

A breach of the law or non-compliance with these Guidelines will also be regarded by AusNet Services as serious misconduct and may lead to disciplinary action, including dismissal.

3. DEALING IN AUSNET SERVICES’ SECURITIES

3.1 Trading windows

Relevant Persons **may** apply for, buy, sell or otherwise deal in AusNet Services securities during a trading window, which is the period of six weeks commencing from the second trading day following:

- (a) the announcement of AusNet Services’ half-yearly results;
- (b) the announcement of AusNet Services’ annual results; or
- (c) the holding of AusNet Services’ Annual General Meeting,

except where:

- (d) the Relevant Person has inside information relating to AusNet Services; or
- (e) AusNet Services has inside information and has, prior to or during the trading window, notified Relevant Persons that they may not deal in AusNet Services securities during all or part of that period;
- (f) the Relevant Person is otherwise restricted from doing so under the terms of the document, instrument or arrangement described in paragraphs 4.1, 4.2 or 4.3; or
- (g) the Board, in its absolute discretion, cancels a trading window or specifies an alternative period.

Guidelines for Dealing in Securities

3.2 Additional Requirements for Designated Persons
(a) Approval

Each Director, the Executive Leadership Team and their Direct Reports ("**Designated Persons**") will need to obtain prior approval before any dealing in AusNet Services securities.

Approval must be obtained by a Designated Person as follows:

Designation Person Seeking Approval	Approver
Directors (including the Managing Director)	Board Chairman
Board Chairman	Chairman of the Audit & Risk Management Committee (in consultation with the Managing Director)
Executive Leadership Team and their Direct Reports	Managing Director (in consultation with the Company Secretary)

(b) Approval Procedure

A request for approval must be made in writing by sending an email to the Company Secretary. A request will generally be answered within 48 hours.

If approval to deal in AusNet Services securities is granted, the dealing must be completed within three ASX trading days of the approval.

An approval to deal can be withdrawn if new information comes to light or if there is a change in circumstances.

Approval can be given or refused at the discretion of the Approver, without giving reasons. If approval to trade is refused, the person seeking the clearance must keep that decision confidential.

(c) Confirmation of completed dealings

Once any dealing in AusNet Services securities has been completed, the following Designated Persons must make the following notifications:

- (i) **Directors** - notify the Company Secretary in the event of any change in their securityholding within three business days of that change to enable AusNet Services to comply with applicable timeframes under the ASX Listing Rules for notifying changes in Directors' securityholding.
- (ii) **Executives who are deemed to be Key Management Personnel (KMP)** - must notify the Company Secretary the holding name, the HINs or SRNs of their holdings (if available), and the holdings of their associates, to enable AusNet Services to put in place an alert service with AusNet Services' share registry for AusNet Services to be notified of and verify any change in those holdings.

Guidelines for Dealing in Securities

3.3 Dealing during closed periods in exceptional circumstances

Closed periods are those periods that are not trading windows. In exceptional circumstances a Relevant Person, who is not in possession of inside information, may apply to deal in AusNet Services securities during a closed period.

Exceptional circumstances may include severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.

Relevant Persons must follow the same approval process as set out in section 3.2 except that Relevant Persons who are not Designated Persons must seek approval from the Company Secretary. The Company Secretary will consult with the Managing Director prior to making a decision.

4. OTHER RESTRICTIONS**4.1 Limiting economic risk – hedging**

Relevant Persons must not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to AusNet Services securities including under equity-based remuneration schemes, except with prior written clearance. In addition, Relevant Persons are not permitted to hedge against entitlements which have vested that are still subject to disposal restrictions, such as a holding lock.

4.2 Speculative or Short Term trading

Relevant Persons may not enter into transactions or arrangements to trade in AusNet Services securities which involve the following activities or terms and conditions:

- (a) short-term trading, in which AusNet Services securities are acquired and sold within the same trading window; or
- (b) short selling, in which AusNet Services securities are borrowed and sold with an intention to acquire them back in the future.

4.3 Margin Lending Prohibited

Relevant Persons may not enter into transactions or arrangements to trade in AusNet Services securities which involve margin lending and other secured financing arrangements over AusNet Services securities.

Examples of such transactions may include:

- (a) entering into a margin lending arrangement in respect of AusNet Services securities;
- (b) transferring AusNet Services securities into an existing margin loan account; and
- (c) selling AusNet Services securities to satisfy a call pursuant to a margin loan.

4.4 Dealing in Securities in Other Listed Entities

While, in general, Relevant Persons are free to deal in securities in other listed entities, the prohibitions on insider trading extend to dealings in the securities of other listed entities with which AusNet Services has a close relationship (including AusNet Services' customers, contractors or business partners) where Relevant Persons possess inside information in relation to those other entities.

Guidelines for Dealing in Securities

Relevant Persons may, due to their role with AusNet Services, come to possess inside information. For example, where a Relevant Person is aware that AusNet Services is about to enter into a major transaction or arrangement with another listed entity (such as a client, contractor, supplier, customer, generator or retailer), they should not deal in either AusNet Services securities or the securities in that other entity.

AusNet Services may from time to time extend these Guidelines by specifying that Relevant Persons are also restricted from dealing in the securities of specific listed entities with which AusNet Services has a close relationship.

5. EXEMPTIONS

- (a) The following dealings are excluded from the trading restrictions in section 3 but are subject to the insider trading prohibitions stated in section 2 of this policy:
- (i) dealings which do not result in a change in beneficial control of AusNet Services securities (for example, transferring a personal holding of AusNet Services securities to a personal superannuation fund);
 - (ii) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in AusNet Services securities) where the assets of the fund or other scheme are invested at the discretion of a third party (for example, managed investment schemes, listed investment companies, exchange traded funds, or similar investments funds);
 - (iii) a disposal of AusNet Services securities arising from a scheme of arrangement or acceptance of a takeover offer;
 - (iv) applying for or acquiring AusNet Services securities under an employee equity plan operated by AusNet Services (including through the exercise of options or rights under an options or rights plan). However, any subsequent dealing of AusNet Services securities acquired under such plans is subject to these Guidelines; or
 - (v) trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the AusNet Services Ltd Board. This includes deciding whether or not to take up the entitlements and sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.
- (b) Directors and executives deemed as KMP who trade in accordance with this section must notify the Company Secretary in accordance with section 3.2(c).

6. QUESTIONS OR FURTHER ADVICE

If you have any questions or require further advice regarding these Guidelines or their application, please contact the Company Secretary.

7. CHANGES TO THESE GUIDELINES

These Guidelines have been adopted by the Board of AusNet Services Ltd. Any amendment to these Guidelines must be approved by the Board of AusNet Services Ltd, and if required by the Listing Rules, such changes will be published on the ASX.

It is intended that these Guidelines will be regularly reviewed to ensure compliance with the Corporations Act, the ASX Listing Rules, and corporate governance best practice.

Guidelines for Dealing in Securities

8. SCHEDULE OF REVISIONS

Revision	Date	Details of Change
1	12/12/2005	Approved by SP AusNet Board
2	19/03/2008	Approved by SP AusNet Board
3	19/11/2008	Approved by SP AusNet Board
4	02/09/2010	Approved by SP AusNet Board
5	19/09/2011	Approved by SP AusNet Board
6	18/09/2012	Approved by SP AusNet Board
7	09/09/2014	Approved by AusNet Services Board
8	27/09/2016	Approved by AusNet Services Board
9	19/09/2018	Approved by AusNet Services Board