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**TO:** ASX Limited  
Singapore Exchange Securities Trading Limited

## SP AusNet – Guidelines for Dealing in Securities

In accordance with the requirement to publish its trading policy under ASX Listing Rule 12.9, which takes effect on 1 January 2011, SP AusNet attaches a copy of its Guidelines for Dealing in Securities.

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# Legal & Company Secretarial Policy Manual

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## Guidelines for Dealing in Securities

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**Guidelines for Dealing in Securities**

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## Guidelines for Dealing in Securities

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# 1 INTRODUCTION, APPLICATION AND PURPOSE

## 1.1 Introduction

SP AusNet (**SP AusNet**) comprises SP Australia Networks (Transmission) Ltd, SP Australia Networks (Distribution) Ltd (together the **Companies**) and their subsidiaries (as defined by the Corporations Act 2001 (Cth)) (**Corporations Act**), SP Australia Networks (Finance) Trust (**Trust**) and the responsible entity for the Trust, SP Australia Networks (RE) Ltd (**Responsible Entity**). A security in SP AusNet comprises a share in each of the Companies stapled to a unit in the Trust. The stapled group is primarily listed on the Australian Securities Exchange (**ASX**) and has a secondary listing on the Singapore Exchange Securities Trading Limited (**SGX-ST**).

These Guidelines relate to dealing by Relevant Persons (as defined below) in SP AusNet securities (also defined below) and the securities of other listed entities with which SP AusNet has a close relationship.

For the purposes of these Guidelines, “SP AusNet securities” includes stapled securities in SP AusNet, financial products (such as options, warrants or futures) issued or created over those securities by third parties, or associated products which operate to limit the economic risk of holding those securities.

## 1.2 Application of Guidelines

These Guidelines apply to:

- (a) all Directors and other officers of SP AusNet;
- (b) all executives and senior management of SP AusNet;
- (c) all other employees of SP AusNet; and
- (d) all contractors engaged in SP AusNet’s Head Office at Freshwater Place, Melbourne (including employees of SPI Management Services Pty Ltd (**SPIMS**)) and other contractors who are informed by SP AusNet that the Guidelines apply,

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

For the purposes of clause 1.2(d), all contractors engaged in SP AusNet’s 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.

## 1.3 Purpose of Guidelines

The purpose of these Guidelines is to raise awareness, and minimise the potential for breach by Relevant Persons, of the prohibitions on insider trading under Australian and Singapore law.

These Guidelines set out SP AusNet’s policy on, and establish procedures for, dealing in SP AusNet securities by Relevant Persons. The policy and procedures are designed to provide a level of legal protection to SP AusNet and Relevant Persons by restricting the opportunity for Relevant Persons to trade when they may be in possession of non-public, price sensitive information. The policy and procedures are also designed to preserve SP AusNet’s 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.

SP AusNet is committed to achieving high standards of corporate conduct and governance. Accordingly, to ensure that these standards are met, the Board of Directors of each of the

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Companies and the Responsible Entity (collectively, the **Board**) consider that compliance with these Guidelines by all Relevant Persons is essential.

Non-compliance with these Guidelines will be regarded by SP AusNet as serious misconduct and may lead to disciplinary action.

## 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 SP AusNet and the Relevant Person knows, or ought reasonably to know, that the information is “inside information” (as defined in paragraph 2.2 below), it is **illegal** for that person to:

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

### 2.2 What is “inside information”?

Inside information is information relating to SP AusNet 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 SP AusNet 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 SP AusNet 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 SP AusNet 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 SP AusNet’s financial performance from previous results or forecasts, such as changes to profit results and distributions;
- a proposed material business or asset acquisition or sale, merger or takeover;
- the damage or destruction of a material operation of SP AusNet;
- proposed material legal proceedings to be initiated by or against SP AusNet;
- 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;
- a proposal to undertake a new issue of securities or major change in financing; or

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- a major incident involving the electricity or gas distribution or electricity transmission systems of SP AusNet, or those connected to them.

### 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 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 and SGX-ST, 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 and/or Singapore law.

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

## 3 POLICY FOR DEALING IN SP AUSNET SECURITIES

### 3.1 General prohibitions

If a Relevant Person has inside information relating to SP AusNet, that person **must not**:

- (a) apply for, buy, sell or otherwise deal in SP AusNet securities or enter into an agreement to do so, including but not limited to applying or electing to participate, or changing or terminating any election to participate, in any distribution reinvestment plan conducted by SP AusNet; or
- (b) advise, encourage, incite, induce or otherwise procure another person (for example, a family member, friend, family company or trust) to do anything specified in paragraph 3.1 (a) above; or
- (c) pass on that information to another person who is likely to use the information to engage in the activities specified in paragraphs 3.1(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.

### 3.2 Trading windows

#### (a) General trading

Relevant Persons **may** apply for, buy, sell or otherwise deal in SP AusNet securities on the ASX or SGX-ST during a trading window, which is the period of 31 days commencing from the second day following:

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- (1) announcement of SP AusNet's half-yearly results;
- (2) the announcement of SP AusNet's annual results; or
- (3) the holding of SP AusNet's Annual General Meeting,

**except** where:

- (4) the Relevant Person has inside information relating to SP AusNet; or
- (5) SP AusNet has inside information and has, during the trading window, notified Relevant Persons that they may not deal in SP AusNet securities during all or part of that period.

(b) Prospectuses and Product Disclosure Statements

Relevant Persons may also apply for, buy or sell SP AusNet securities:

- (1) during the period that SP AusNet has a current prospectus, other form of disclosure document and/or product disclosure statement on issue pursuant to which persons may apply for SP AusNet securities;
- (2) during a period of time following an offer of SP AusNet securities pursuant to section 708AA (rights issue) or section 708A(5) (placement) of the Corporations Act, determined, in each case, by the Company Secretary; or
- (3) by virtue of their participation in an offer of SP AusNet securities in a prospectus or product disclosure statement or an offer of SP AusNet securities pursuant to section 708AA (rights issue) of the Corporations Act,

**except** where:

- (4) the Relevant Person has inside information relating to SP AusNet; or
- (5) SP AusNet has inside information and has, during the trading window, notified Relevant Persons that they may not deal in SP AusNet securities during all or part of that period.

(c) Distribution Reinvestment Plans

Relevant Persons **may** apply or elect to participate in, or change or terminate an election to participate in, a distribution reinvestment plan conducted by SP AusNet during a trading window, which is the period of 31 days commencing from the second day following in the period of 31 days from the second day following:

- (1) announcement of SP AusNet's half-yearly results;
- (2) the announcement of SP AusNet's annual results; or
- (3) the holding of SP AusNet's Annual General Meeting,

**except** where:

- (4) the Relevant Person has inside information relating to SP AusNet; or
- (5) SP AusNet has inside information and has, during the trading window, notified Relevant Persons that they may not deal in SP AusNet securities during all or part of that period.

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(d) Closed Periods

A period or time that is not:

- (1) a trading window; or
- (2) a permitted period under clause 3.2(b),

is a “closed period”, as that term may be defined under the ASX Listing Rules.

### 3.3 Dealing during closed periods

Relevant Persons may only apply for, buy, sell or otherwise deal in SP AusNet securities on the ASX or SGX-ST during a closed period with **prior clearance**.

Clearance must be obtained by Relevant Persons as follows:

- (a) a **Director** of either of the Companies or the Responsible Entity (including the Managing Director) must notify and obtain clearance from the Chairman of the Board for any proposed dealing within a closed period;
- (b) the **Chairman of the Board** must notify and obtain clearance from the Chairman of the Audit and Risk Management Committee for any proposed dealing within a closed period; and
- (c) **executives, senior management and all other Relevant Persons** must notify and obtain clearance from the Company Secretary, Managing Director or Chairman of the Board of any proposed dealing within a closed period.

A request for clearance will generally be answered within 48 hours.

For the avoidance of doubt, Relevant Persons may not apply or elect to participate in, or change or terminate an election to participate in, a distribution reinvestment plan conducted by SP AusNet except in accordance with clause 3.2(c).

### 3.4 Confirmation of completed dealings

Once any dealing in SP AusNet securities has been completed:

- (a) by Directors or executives at any time; and
- (b) by all other Relevant Persons outside of a trading window,

its completion, including volume, date and price, must be notified by the Relevant Person within three business days by email to the Company Secretary.

### 3.5 Limiting economic risk - hedging

Relevant Persons may not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to SP AusNet securities (including under equity-based remuneration schemes).

Relevant Persons must receive clearance before entering into transactions involving financial products (such as options, warrants or futures) issued or created over SP AusNet securities or transactions involving associated products which operate to limit the economic risk of holding SP AusNet securities. Clearance must be obtained by Relevant Persons as set out in paragraph 3.3 above.



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### **3.6 SPIMS long term incentive plans**

These Guidelines apply to SP AusNet securities acquired, or to be acquired, by a Relevant Person under SPIMS' long term incentive plan (LTIP).

## **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 SP AusNet has a close relationship (including SP AusNet's customers, contractors or business partners) where Relevant Persons possess inside information in relation to those other entities.

Relevant Persons may come to possess inside information in relation to another listed entity where they are directly involved in client relationship management, assessing new energy transportation and distribution opportunities, negotiating contracts or the design, construction and installation of new plant and equipment. For example, where a Relevant Person is aware that SP AusNet is about to sign a major agreement with another listed entity (such as a client, contractor, generator or retailer), they should not deal in either SP AusNet securities or the securities in that other entity.

SP AusNet 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 SP AusNet has a close relationship.

## **5 REGISTER OF DEALINGS**

The Company Secretary will maintain a copy of:

- (a) all requests for clearance to deal in SP AusNet securities submitted by Relevant Persons;
- (b) all decisions relating to such requests and accompanying reasons for the decisions; and
- (c) details of all dealings in SP AusNet securities made by Directors and executives.

## **6 INFORMATION TO COMPANY SECRETARY AND BOARD**

Directors must notify the Company Secretary in the event of any change in their securityholding within three business days of that change to enable SP AusNet to comply with applicable timeframes under the ASX Listing Rules and the SGT-ST Listing Manual Rules for notifying changes in Directors' securityholding.

Details of each dealing in SP AusNet securities made by a Director will be provided to other Directors immediately after the release of the information to the ASX and SGX-ST.

## **7 QUESTIONS OR FURTHER ADVICE**

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

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### 8 CHANGES TO THESE GUIDELINES

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

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

### 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