

# Legal & Company Secretarial Policy Manual

## 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

AusNet Services (**AusNet Services**) comprises AusNet Services Ltd (the **Company**) and its subsidiaries (as defined by the Corporations Act 2001 (Cth)). A security in AusNet Securities comprises a share in the Company. The Company 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 AusNet Services securities (also defined below) and the securities of other listed entities with which AusNet Services has a close relationship.

For the purposes of these Guidelines, "AusNet Services securities" includes shares in the Company, 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 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,

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.

### 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 AusNet Services' policy on, and establish procedures for, dealing in AusNet Services securities by Relevant Persons. The policy and procedures are designed to provide a level of legal protection to AusNet Services 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 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.

AusNet Services is committed to achieving high standards of corporate conduct and governance. Accordingly, to ensure that these standards are met, the Board of Directors of the Company (the **Board**) consider that compliance with these Guidelines by all Relevant Persons is essential.

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

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**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), it is **illegal** for that person to:

- (a) apply for, buy, sell or otherwise deal in AusNet Services 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 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.

**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 distributions;
- 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;
- 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.

**2.3 When is information “generally available”?**

Information is “generally available” if:

- (a) it consists of readily observable matter;

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- (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 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 AusNet Services as serious misconduct and may lead to disciplinary action.

**3. POLICY FOR DEALING IN AUSNET SERVICES SECURITIES****3.1 General prohibitions**

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

- (a) apply for, buy, sell or otherwise deal in AusNet Services 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 AusNet Services; 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 AusNet Services securities on the ASX or SGX-ST during a trading window, which is the period of six weeks commencing from the second trading day following:

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

**except** where:

- (4) the Relevant Person has inside information relating to AusNet Services; or
- (5) 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.

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**(b) Prospectuses and Product Disclosure Statements**

Relevant Persons may also apply for, buy or sell or otherwise deal in AusNet Services securities:

- (1) during the period that AusNet Services has a current prospectus, other form of disclosure document and/or product disclosure statement on issue pursuant to which persons may apply for AusNet Services securities;
- (2) during a period of time following an offer of AusNet Services securities pursuant to section 708AA or section 1012DAA (rights issue); or section 708A(5) or section 1012DA(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 AusNet Services securities in a prospectus and/or product disclosure statement or an offer of AusNet Services securities pursuant to section 708AA or section 1012DAA (rights issue) of the Corporations Act,

**except** where:

- (4) the Relevant Person has inside information relating to AusNet Services; or
- (5) 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.

**(c) Distribution Reinvestment Plans**

During a trading window (as defined in paragraph 3.2(a) above), Relevant Persons **may** apply or elect to participate in, or change or terminate an election to participate in, a distribution reinvestment plan conducted by AusNet Services

**except** where:

- (1) the Relevant Person has inside information relating to AusNet Services; or
- (2) 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.

**(d) Employee Security Purchase Plans**

During a trading window (as defined in paragraph 3.2(a) above), Relevant Persons may apply or elect to participate in, or change or terminate an election to participate in, an employee security purchase plan conducted by AusNet Services **except** where:

- (1) the Relevant Person has inside information relating to AusNet Services; or
- (2) 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.

**(e) Closed Periods**

A period of time that is not:

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

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

**3.3 Dealing during closed periods**

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

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Clearance must be obtained by Relevant Persons as follows:

- (a) a **Director** of the Company (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. Whether or not clearance is to be granted is a decision for the Chairman of the Board, Chairman of the Audit and Risk Management Committee, Managing Director or Company Secretary (as applicable) and their decision will be final.

For the avoidance of doubt, an acquisition of securities during a closed period under a distribution reinvestment plan or employee security purchase plan conducted by AusNet Services for which an application or election to participate has been made during a trading window, in accordance with paragraphs 3.2(c) and (d), respectively, does not constitute a breach of these Guidelines. Notwithstanding this, where AusNet Services conducts an employee security purchase plan, AusNet Services will use its reasonable endeavours to ensure that trading in AusNet Services securities is completed during a trading window. Relevant Persons may not apply or elect to participate in, or change or terminate an election to participate in, a distribution reinvestment plan or an employee security purchase plan conducted by AusNet Services except in accordance with clauses 3.2(c) and (d).

### **3.4 Confirmation of completed dealings**

Once any dealing in AusNet Services securities has been completed:

- (a) by Directors or executives at any time; and
- (b) by all other Relevant Persons during a closed period,

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 AusNet Services 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 AusNet Services securities or transactions involving associated products which operate to limit the economic risk of holding AusNet Services securities. Clearance must be obtained by Relevant Persons as set out in paragraph 3.3 above.

### **3.6 AusNet Services long term incentive plans**

These Guidelines apply to AusNet Services securities acquired, or to be acquired, by a Relevant Person under any AusNet Services 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 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.

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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 AusNet Services 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 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. REGISTER OF DEALINGS

The Company Secretary will maintain a copy of:

- (a) all requests for clearance to deal in AusNet Services 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 AusNet Services 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 AusNet Services to comply with applicable timeframes under the ASX Listing Rules and the SGX-ST Listing Manual Rules for notifying changes in Directors' securityholding.

Details of each dealing in AusNet Services 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.

### 8. CHANGES TO THESE GUIDELINES

These Guidelines have been adopted by the Board of the Company, 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 the Company, and if required by the Listing Rules, such changes will be published on the ASX and SGX-ST.

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

### 9. 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	14/04/2015	Approved by AusNet Services Board