

ASX Announcement



12 May 2020

Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3, attached is the AusNet Services 2020 Corporate Governance Statement and Appendix 4G.

Paul Lynch
Company Secretary

This announcement was authorised for release by the Board of AusNet Services Ltd.

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Corporate Governance Statement 2020



1. Governance at AusNet Services

1.1 INTRODUCTION

The Board of AusNet Services Ltd (AusNet Services) is pleased to present the 2020 AusNet Services' Corporate Governance Statement. This corporate governance statement outlines the key aspects of AusNet Services' corporate governance framework for the financial year ended 31 March 2020 (FY2020). In addition, this statement discloses the extent to which AusNet Services has complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition (ASX Principles) during FY2020 which AusNet Services has determined to comply with for this financial year. During FY2020, AusNet Services deviated from ASX Recommendations 2.1, 2.4 and 8.1, with reasons provided in the appropriate sections of this statement. AusNet Services has also reviewed its governance practices against the 4th edition of ASX Principles, including reviewing and updating its Board Committee Charters and company policies.



Further information relating to AusNet Services' corporate governance practices and key documents can be found on the Corporate Governance section of AusNet Services' website at www.ausnetservices.com.au/About-Us/Corporate-Governance in the section labelled 'About Us' – 'Corporate Governance' (the AusNet Services website). (ASX Recommendation 6.1)

The information in this statement is current as at 11 May 2020 and has been approved by the Board.



2. Our Board

2.1 BOARD RESPONSIBILITIES AND DELEGATION TO MANAGEMENT

The Board has a formal Charter that sets out the responsibilities reserved to the Board and the functions delegated to management. (ASX Recommendation 1.1) The Board Charter is located on the AusNet Services website.

The Board is responsible for representing shareholders as a whole and promoting the interests of AusNet Services, taking into account all relevant stakeholders.

IN SERVING THESE INTERESTS, THE BOARD IS RESPONSIBLE FOR:

- > providing leadership and overseeing the strategic and financial direction of AusNet Services;
- > overseeing AusNet Services' Risk Management Framework and setting the Risk Appetite Statement; and
- > monitoring AusNet Services' approach to the management of both financial and non-financial risks, such as its exposure to environmental risks, occupational health and safety risks and potential damage to AusNet Services' reputation and standing in the community.

The Board is also cognisant of the importance of company culture at AusNet Services and oversees the adherence to AusNet Services' values, policies and practices, including in relation to remuneration setting.

The Board has delegated to the Managing Director the responsibility for the day-to-day management and operation of AusNet Services. The parameters of the Board's delegation are set out in the Board-approved Delegation of Authority Manual.

The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board. The Board approves corporate objectives for the Managing Director and, together with the Managing Director, agrees his duties and responsibilities. The Board is responsible for reviewing the role and responsibilities of management. Management must supply the Board with information to enable the Board to discharge its duties effectively. Directors are entitled to request additional information, including external advice, at any time.

During FY2020, the Board has overseen key changes to the composition of AusNet Services' management team. These changes included the appointment of Mr Tony Narvaez as Managing Director on 1 November 2019 (as described further below), and the appointment of Mr Mark Ellul as Chief Financial Officer on 9 December 2019, succeeding Mr Adam Newman who resigned from AusNet Services in September 2019.

2.2 BOARD COMPOSITION

The Board determines its size and composition, subject to the terms of AusNet Services' constitution. AusNet Services' constitution provides for a minimum of four and a maximum of 14 Directors. As at the date of this statement, the AusNet Services Board has nine Directors, comprising eight Non-executive Directors, and the Managing Director. AusNet Services' two major shareholders, Singapore Power International Pte Ltd (SP) and State Grid International Australia Development Company Limited (SGIAD), have each nominated two Directors to the Board, reflecting their significant holding of securities in AusNet Services.

Mr Tony Narvaez was appointed to the Board on 1 November 2019 in conjunction with his appointment as Managing Director. Mr Narvaez succeeded Mr Nino Ficca, who retired as Managing Director on 31 October 2019.

2.3 ROLE OF THE CHAIRMAN AND THE MANAGING DIRECTOR

The Board acknowledges the importance of a clear division of responsibility between the Board and management. The roles of Chairman and Managing Director are therefore exercised by separate individuals. (ASX Recommendation 2.5)

The Chairman, Mr Peter Mason, joined the Board in March 2016 and was appointed Chairman on 11 May 2016. He is an independent Non-executive Director. The Chairman is responsible for:

- > leading the Board, including ensuring the efficient organisation and conduct of the Board's functions;
- > facilitating effective contribution by all Directors and promoting constructive relations between the Board and management;
- > working with management in seeking to ensure that the Board is provided with information relevant to AusNet Services' operations and strategies to assist in the discharge of the Board's duties;
- > reviewing corporate governance matters with the General Counsel and the Company Secretary and reporting on those matters to the Board; and
- > playing a key role in representing the Board to external stakeholders (including shareholders) and communicating the Board's position.

The Managing Director is responsible to the Board for the discharge of the management function and the implementation of corporate objectives determined by the Board.

2. Our Board (continued)

2.4 SKILLS AND EXPERIENCE OF DIRECTORS

During FY2019, AusNet Services introduced its Energising Futures strategy for FY2020 and beyond. Energising Futures transitions AusNet Services from the Focus 2021 strategy and continues focus on growth and cost efficiency but also brings greater attention to customer centricity, digital utility and the capabilities and culture that will be needed in the future.

AusNet Services has a culturally diverse Board with extensive experience in the energy sector. The skills matrix below summarises the combined skills and experience of Directors and highlights those considered relevant to the Energising Futures strategy and the strong leadership and governance of AusNet Services at present and

in the immediate future. The Board has cross-cultural experience and a proven ability to work collaboratively to guide the strategic direction of AusNet Services while maintaining independence of thought necessary to drive robust Board discussion and challenge management. The Board is also committed to continuous learning and setting a company culture of transparency, integrity and acting ethically. (ASX Recommendation 2.2)

The management team of AusNet Services possesses a wide range of skills and industry experience that can be accessed and utilised by the Board. To the extent that any skills or expertise are not represented by the Board or management, the Board will supplement those with external specialists.

BOARD SKILLS MATRIX

ACCOUNTING AND FINANCE SKILLS

- > Experience in financial accounting and reporting, including recognising, evaluating and managing financial risks and assessing the sufficiency of risk controls that may impact AusNet Services.
- > Experience in banking, capital and debt markets.

INDUSTRY EXPERIENCE AND DISRUPTION

- > Experience in the energy or energy infrastructure industry both domestically and internationally, with similar strategies, markets, competitors, operational issues, technology and regulatory considerations as AusNet Services.
- > Experience in an industry that has faced significant disruptive change including digital and technology disruption.

PEOPLE, REMUNERATION AND CULTURE

- > Experience in overseeing matters that relate to workplace culture which may include overseeing remuneration practices, incentives and senior appointments.

STRATEGY AND RISK MANAGEMENT

- > Experience in setting and monitoring strategic direction and driving growth. This includes managing changing business models and merger and acquisitions experience.
- > Experience in setting and monitoring of corporate governance, risk management and compliance frameworks.

SUSTAINABILITY

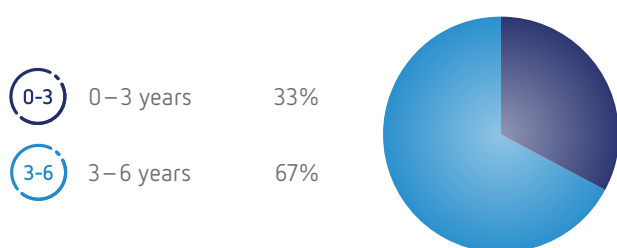
- > Experience in setting and monitoring sustainability programs, including occupational health and safety procedures and environmental protection measures, including relating to climate change.
- > Experience in setting and achieving corporate social responsibility targets and an awareness of the importance of a business's community standing.

STAKEHOLDER ENGAGEMENT

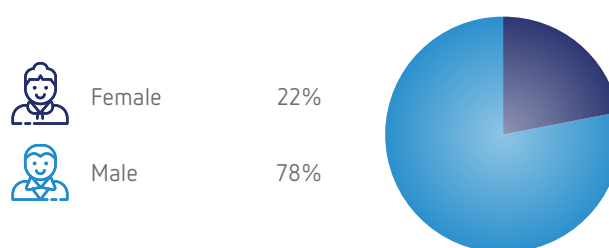
- > Experience with communicating with, and serving the interests of, a range of stakeholders, both domestically and internationally, including AusNet Services' shareholders as a whole, customers, government and regulatory bodies and other relevant stakeholders.

2. Our Board (continued)

BOARD TENURE



BOARD GENDER DIVERSITY



Further information about the qualifications, skills, experience, special responsibilities and period in office of each Director is set out in the Directors' Report, which is included in the *2020 Annual Report*. Details of AusNet Services' current Directors may also be found on the AusNet Services website under the Board of Directors section.

As part of the appointment process, the Board undertakes appropriate background and probity checks, including reference checks and employment history. (ASX Recommendation 1.2) It is a pre-requisite for appointment to the Board that all Directors are able to speak and understand English to ensure each Director is able to understand, participate and contribute their expertise at Board meeting discussions, and discharge their obligations in relation to all relevant matters and documents. (ASX Recommendations 9.1)

2.5 APPOINTMENT OF DIRECTORS

In relation to the appointment of independent Non-executive Directors, the Nomination Committee reviews and makes recommendations to the Board regarding the appointment of new Directors, including establishing formal and transparent procedures for the identification of suitable candidates. An executive search firm is usually engaged to assist with the identification and selection of suitable Board candidates.

The suitability of candidates nominated for appointment to the Board is assessed having regard to the Board's existing and desired skills, diversity and experience, including having regard to the Board's skills matrix and the ability to bring an open and enquiring mind and constructive challenge to Board discussions. All Non-executive Directors must demonstrate they have adequate availability to dedicate to the role.

The Nomination Committee reviews these details prior to a Non-executive Director's appointment, and regularly thereafter, to ensure that the Director has sufficient time to discharge their duties to the Board and the various committees on which they serve. (ASX Recommendation 1.2)



Biographical information (including qualifications and experience) in relation to all Directors subject to election or re-election is set out in the explanatory notes to the Notice of Annual General Meeting (AGM) and is located on the AusNet Services website. (ASX Recommendation 1.2)

All Directors, other than the Managing Director, are subject to re-election in accordance with AusNet Services' constitution and the ASX Listing Rules.

A written agreement is in place between AusNet Services and each Director and senior executive, respectively, setting out the terms of their appointment. (ASX Recommendation 1.3)

2. Our Board (continued)

2.6 INDEPENDENCE OF DIRECTORS

The Board has applied the factors relevant to assessing the independence of a Director as set out in the ASX Principles.

Having regard to these factors, the Board considers a Director to be independent if he or she is not a member of management and is free of any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgement.

The Board assesses the materiality of any given relationship that may affect independence on a case-by-case basis. Each Non-executive Director is required to disclose to the Board on a continuing basis all information that may be relevant to this assessment, including their interests in contracts and other directorships and offices held.

The Directors considered by the Board to be independent are Ms Sally Farrier, Mr Peter Mason, Mr Robert Milliner and Dr Nora Scheinkestel. During FY2020, none of the independent Directors had any interest or relationship that could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgment.



Details on each Director's length of service are available on the AusNet Services website. (ASX Recommendation 2.3)

As mentioned earlier in this statement, AusNet Services' two largest shareholders have two nominees each on the Board, reflecting their significant holding of securities in AusNet Services.

Mr Alan Chan and Mr Tan Chee Meng were nominated by SP, AusNet Services' largest shareholder, and are therefore not considered to be independent. Dr Ralph Craven and Mr Li Lequan were nominated by SGIAD. SGIAD is AusNet Services' second-largest shareholder, and therefore Dr Craven and Mr Li are not considered to be independent.

AusNet Services notes ASX Recommendation 2.4 that a majority of the Board be independent directors and that it was not in compliance with this recommendation during FY2020 due to the composition of the Board being reflective of the significant shareholdings of SP and SGIAD, which in total exceed 50% of the AusNet Services' voting shares. During FY2020, the Board comprised four independent Directors and five non-independent Directors (including the Managing Director). (ASX Recommendation 2.4)

2.7 INDUCTION AND CONTINUING EDUCATION

Established induction procedures allow new Directors to participate fully and actively in informed decision-making at the earliest opportunity after they join the Board. The procedures, which are overseen by the Company Secretary, are designed to allow new Directors and also new key executives to gain an understanding of AusNet Services' financial, strategic, operational and risk position, the rights, duties and responsibilities of the Directors, the roles and responsibilities of management and the roles of Board committees. In addition, each new Director is provided with a letter of appointment setting out the key terms of their appointment. (ASX Recommendation 2.6)

Board education sessions are held periodically throughout each year to inform Directors of significant or emerging issues that are relevant to AusNet Services' business. During FY2020 our education program included a Board study tour to Israel, which included sessions with infrastructure, energy and technology companies and industry experts to enhance the knowledge of the Board about the innovations that are occurring in the fields of smart energy, alternative fuels, smart grids and cyber-security for critical infrastructure, which are relevant to AusNet Services Energising Futures strategy.

During FY2020, site visits to operations were arranged to provide Directors with an opportunity to inspect operations, meet front-line management and staff to enhance their understanding of the business. The Directors visited a mains renewal project and a new development on the gas distribution network and inspected upgrade works at the Springvale Terminal Station. In addition, all Directors and key executives have access to, and are encouraged to participate in, continuing education to update and enhance their skills and knowledge. (ASX Recommendation 2.6)

2. Our Board (continued)

2.8 COMPANY SECRETARY

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including:

- > advising on governance matters;
- > administration of the Board, including development of agendas, distribution of papers, minute taking and organisation of meetings;
- > overseeing AusNet Services' relationship with its share registrar; and
- > lodgement of documents, reports and releases to ASIC and the ASX.

Mr Paul Lynch was appointed as a Company Secretary on 18 July 2019. Details of Mr Lynch's qualifications and experience are set out in AusNet Services' *2020 Annual Report*. (ASX Recommendation 1.4)

2.9 BOARD PERFORMANCE EVALUATION

The Board of AusNet Services acknowledges the need to have regular Board evaluations in line with the ASX Principles. Performance reviews to assess the effectiveness of the Board are conducted annually and are either led by the Chairman or are undertaken by an independent external consultant. The Nomination Committee oversees the performance reviews, including assessing and considering the results and determining appropriate action items.

During FY2020, an internal review of the Board's annual performance was conducted. The internal review was led by the Chairman and involved completion of a survey by each Director. The Board supplemented the review with several discussions including reports from external advisers on emerging trends and developments in corporate governance. The results of the survey were reported to the Nomination Committee and discussed by the Directors. The FY2020 internal review found that the Board and committees are functioning well, and improvement opportunities have been identified and adopted. An independent external review was undertaken in FY2018. (ASX Recommendation 1.6)

The Nomination Committee also undertakes a formal evaluation of the individual Directors who are due to retire and offer themselves for re-election at the next AGM. The results of this evaluation are considered by the Board in determining whether to support the re-election of these Directors.



2. Our Board (continued)

2.10 PERFORMANCE OF EXECUTIVES

A formal performance evaluation of the Managing Director and senior executives occurs annually through the development of performance plans linked to AusNet Services' annual corporate business plan and financial plan. The performance plans incorporate key performance targets set by the Board. The Managing Director sets personal targets for senior executives.

The performance plan evaluation process for the Managing Director and senior executives takes the form of an individual assessment by the Board in the case of the Managing Director, and in the case of senior executives, by the Managing Director in consultation with the Remuneration Committee and the Board. Performance outcomes are linked to short-term incentives and recommendations on outcomes are made to the Remuneration Committee and to the Board for approval.

A performance evaluation of the Managing Director and senior executives was undertaken during FY2020 in accordance with this process. Further details of the outcome of executive performance evaluations are set out in the Remuneration Report, which is included in the *2020 Annual Report*. (ASX Recommendation 1.7)

The Board considers and approves the appointment of senior executives. Appropriate background and probity checks are undertaken before a senior executive is appointed.

2.11 REMUNERATION

Remuneration policies are designed to attract and maintain talented and motivated Directors and employees so as to encourage enhanced performance and to pursue long-term growth and success for AusNet Services. The Board also recognises the importance of there being a clear relationship between performance, remuneration and company culture.

AusNet Services' Remuneration Policies in relation to its Directors, Managing Director and key executives are set out in the Directors' Report, which is included in the *2020 Annual Report*. Details of the nature and amount of remuneration paid to each Director and key management personnel are also set out in the Directors' Report.

A) NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration policy for Non-executive Directors and the amount of remuneration paid to Non-executive Directors is discussed in detail in the Remuneration Report, which is included in the *2020 Annual Report*. (ASX Recommendations 8.2)

The remuneration of Non-executive Directors is not linked to AusNet Services' performance in order to maintain their independence and impartiality. Accordingly, Non-executive Directors do not participate in any incentive plan. (ASX Recommendation 8.2)

In setting Director fee levels, the Board takes into account:

- > AusNet Services' existing remuneration policies;
- > independent professional advice;
- > fees paid by comparable companies;
- > the general time commitment required from Non-executive Directors and the risks associated with discharging the duties attaching to the role of Director; and
- > the level of remuneration necessary to attract and retain Non-executive Directors of a suitable calibre.

2. Our Board (continued)

B) EXECUTIVE REMUNERATION

The Remuneration Committee reviews and makes recommendations to the Board concerning the remuneration, incentive payments and programs for the Managing Director and other senior executives. In this regard, AusNet Services aims to ensure that the remuneration of its Managing Director and other senior executives is market competitive, consistent with best practice and supportive of the interests of shareholders.

The Managing Director and other senior executives are remunerated through a combination of:

- > base salary;
- > short-term performance-based cash bonuses and, for the Managing Director and EGM Mondo, deferred rights pursuant to the short-term incentive plan; and
- > long-term performance-based incentives pursuant to a long-term incentive plan.



Details of the remuneration paid to the Managing Director and key management personnel (and the link to corporate performance) are set out in the Remuneration Report, which is included in the *2020 Annual Report*. (ASX Recommendation 8.2)



3. Board committees

To assist in the discharge of its duties, the Board has established three standing committees:

- > Nomination Committee;
- > Remuneration Committee; and
- > Audit and Risk Management Committee (ARMC).

Each committee has a formal charter which sets out its role and responsibilities, composition, structure and membership requirements. The committee charters are approved by the Board and may be found on the AusNet Services website. An overview of each committee is set out in the table below.



Additional details in relation to the members of each committee, as well as the number of times each committee met during FY2020 and each member's attendance at those meetings, are set out in the Directors' Report, which is included in the *2020 Annual Report*. (ASX Recommendations 2.1, 4.1, 7.1 and 8.1)

All committees have full access to, and the co-operation of, management and full discretion to invite members of management to attend meetings subject to any conflicts of interest. The ARMC meets with internal and external auditors without management present at least four times a year. The ARMC has the authority to engage independent advisers as considered necessary to assist in discharging its responsibilities.

In addition, the Board may establish ad-hoc or special purpose committees where deemed necessary to deal with specific activities or where a potential conflict of interest exists.

Non-executive Directors who are not members of a committee may attend any meetings of a committee. Members of management may attend committee meetings by invitation, however individuals may not be present during, or participate in, deliberations where the matter does or could affect their position, remuneration or other related matters. The Board has established protocols to exclude Directors and management where a conflict of interest may exist.

NOMINATION COMMITTEE¹

MEMBERS

- | | |
|--------------------------|---------------------|
| > Peter Mason (Chairman) | > Li Lequan |
| > Alan Chan | > Robert Milliner |
| > Ralph Craven | > Nora Scheinkestel |
| > Sally Farrier | > Tan Chee Meng |

COMPOSITION

- > all Non-executive Directors of AusNet Services
- > members are to be appointed by the AusNet Services Board
- > the Chairman must be an independent Director

KEY RESPONSIBILITIES

Assists the Board with:

- > matters relating to the appointment and performance of Directors and performance of the Board as whole
- > reviewing and determining Board and committee membership and performance and succession planning
- > reviewing and recommending the appointment of new Directors, including establishing formal and transparent procedures for the identification of suitable candidates
- > undertaking a formal evaluation of the individual Directors who are due to retire and offer themselves for re-election at the next AGM
- > assessing the skills matrix of the Directors.

¹ AusNet Services notes that during FY2020 the Nomination Committee did not comprise a majority of independent Directors as required by ASX Recommendation 2.1(a)(1) due to the composition of the Board. The committee comprised equal numbers of independent and non-independent Directors. Refer to section 2.6 above for further explanation.

3. Board committees (continued)

AUDIT AND RISK MANAGEMENT COMMITTEE

MEMBERS

- > Nora Scheinkestel (Chairman)
- > Robert Milliner
- > Ralph Craven
- > Tan Chee Meng
- > Sally Farrier

COMPOSITION

- > a minimum of three members
- > only Non-executive Directors
- > a majority of Directors who are independent
- > All committee members shall be financially literate (able to read and understand financial statements)
- > the Chairman must be an independent Director and must not be the Chairman of the Board

KEY RESPONSIBILITIES

Assists the Board with:

- > reviewing the appropriateness of accounting principles adopted in the composition and presentation of financial reports and approving all significant accounting policy changes
- > reviewing the adequacy and effectiveness of AusNet Services' risk management, internal compliance and control systems and the process and evidence adopted by the Managing Director and the Chief Financial Officer to satisfy themselves of these factors
- > reviewing matters that are brought to its attention by the internal and external auditor
- > overseeing the conduct and scope of the external and internal audit functions, including making recommendations to the Board on the appointment, performance, remuneration and replacement of the external auditor and Head of Internal Audit.

REMUNERATION COMMITTEE²

MEMBERS

- > Sally Farrier (Chairman)
- > Alan Chan
- > Li Lequan
- > Robert Milliner

COMPOSITION

- > at least three Board members, all of whom are Non-executive Directors
- > at the very least the number of independent directors must equal the number of Non-independent Directors
- > the Chairman must be an independent Director

KEY RESPONSIBILITIES

Assists the Board with:

- > setting the remuneration of Directors
- > recommending remuneration and incentive arrangements for the Managing Director and senior executives
- > oversight of AusNet Services' remuneration framework for employees
- > employee incentive plans
- > diversity and inclusion objectives and monitoring progress.

² AusNet Services notes that during FY2020 the Remuneration Committee did not comprise a majority of independent Directors as required by ASX Recommendation 8.1(a)(1) due to the composition of the Board. The committee comprised equal numbers of independent and non-independent Directors. Refer to section 2.6 above for further explanation.

4. Diversity and inclusion

AusNet Services is committed to driving a truly diverse and inclusive workplace that supports diversity in all its forms. AusNet Services believes strongly in the value of a diverse workforce in driving better financial, reputational and employee experience outcomes.

Our goal is to create an environment where diversity is welcomed and celebrated across all areas of difference, including gender, age, cultural identity, ethnicity, disability, sexual orientation, religious beliefs, family/lifestyle needs, personal styles and backgrounds. Driving improvement in diversity and inclusion is seen as a key enabler towards creating a sustainable and high-performing culture and business performance.

4.1 DIVERSITY AND INCLUSION GOVERNANCE



AusNet Services has an established Diversity Policy which outlines its commitment to increase and maintain diversity and inclusion in the workplace. The Diversity Policy is located on the AusNet Services website. (ASX Recommendation 1.5)

Additionally, the Board Charter requires that the Board comprises Directors with a broad range of skills and expertise from a diverse range of backgrounds. These characteristics are reflected in the Board's composition, through the qualifications, skills, experience, gender and backgrounds of Directors.

AusNet Services' progress towards achieving the FY2020 Diversity and Inclusion (D&I) objectives approved by the Board is set out below. (ASX Recommendation 1.5)






4. Diversity and inclusion (continued)

4.2 PROGRESS AT AUSNET SERVICES

FY2020 OBJECTIVE 1: INCREASING THE PROPORTION OF WOMEN IN AUSNET SERVICES WORKFORCE

- > Increase the proportion of women in AusNet Services' workforce to 30% by 2022, including 40% of senior management and 25% of all engineering roles.
- > Increase Board representation to 30% female Non-executive Directors.¹

PROGRESS ACHIEVED FY2020

-  Female participation rates across the organisation has increased from 23.4% to 27.4%.
-  Female participation in permanent senior management roles has increased from 31.1% to 38.6%.
-  Females in engineering roles has increased from 14.6% to 23%.
-  50% of AusNet Services' Independent Non-executive Directors are women.
-  We have held 4 women's networking events and delivered our Women's Career Development program for the 9th consecutive year.

SUPPORTING PROGRAMS

- > As outlined below, AusNet Services retains a strong focus on attracting, engaging, developing and retaining women of all ages to join and remain part of AusNet Services.
- > 33% of all new hires during FY2020 were female, with 60% of graduates hired being female.
- > We have focused on reducing the turnover imbalance between men and women, with FY2020 female voluntary turnover at 8.9% (against over 11% turnover in FY2019), compared to FY2020 male turnover at 6.6%.
- > We have continued to actively monitor and eliminate instances of general pay equality.
- > We have continued to support, sponsor and develop female students to consider careers in the industry through on-campus promotion in schools and universities, scholarships, sponsorships, education assistance and research partnerships.
- > We have increased the proportion of employees working flexibly with increases in the proportion of part-time employees and applications for purchased annual leave.

¹ A diverse Board is an asset to AusNet Services and contributes to better overall performance of the company. AusNet Services' objective to increase Board representation to 30% female Non-executive Directors is ongoing, and subject to the nomination preferences of its two major shareholders, SP and SGIAD, who each appoint two nominee Directors to the Board.

4. Diversity and inclusion (continued)

FY2020 OBJECTIVE 2: ENGAGEMENT OF EMPLOYEES ON DIVERSITY AND INCLUSION AND OF SPECIFIED GROUPS

- > Maintain or increase D&I employee engagement score year on year.
- > Engagement score for specified groups equal to or greater than AusNet Services score.

PROGRESS ACHIEVED FY2020



A recent Culture and Engagement Survey recorded a positive engagement score of 70% across AusNet Services. This score represents an overall improvement of 4 percentage points on the previous year's result.

SUPPORTING PROGRAMS

- > Launch of initiatives to increase inclusion of employees from diverse backgrounds including Easter Public Holiday Substitution, regular Cultural Celebration Day events, and enhanced employee recognition for Diversity and Inclusion Champions and Young Professionals.

FY2020 OBJECTIVE 3: MAINTAIN OR INCREASE THE PROPORTION OF EMPLOYEES WORKING FLEXIBLY

- > Maintain or increase proportion of employees working with part-time and purchased annual leave arrangements.

PROGRESS ACHIEVED FY2020



The proportion of employees working part-time has increased, as well as the number of eligible employees accessing purchased annual leave.

SUPPORTING PROGRAMS

- > Promotion of benefits such as flexible working and purchased annual leave, as well as scheduled events during Flex Week and Work–Life Balance Week.

4. Diversity and inclusion (continued)

FY2020 OBJECTIVE 4: ENSURE GENDER DIVERSE REPRESENTATION IN OUR SKILLING FOR THE FUTURE PROGRAM

- > Ensure 50% or more of all graduates hired are female.

PROGRESS ACHIEVED FY2020



60% of graduate hires in FY2020 were female.

SUPPORTING PROGRAMS

- > Young Professional Network established with five events held (Networking / Coaching / Development).
- > Continuation of our Speak Up Campaign including leader training and an online training module.
- > Fourth year of the Women in Power Engineering Scholarship program including graduation and employment of first scholarship recipient.
- > Establishment of the Women in Power Scholarship program developed between Sacred Heart Secondary College and Deakin University.

FY2020 OBJECTIVE 5: ACHIEVE WGEA EMPLOYER OF CHOICE CITATION FOR GENDER EQUALITY BY 2021

- > Maintain pay equality – a key WGEA Employer of Choice for Gender Equality criteria.

PROGRESS ACHIEVED FY2020



Citation application to be submitted in September 2020.

SUPPORTING PROGRAMS


- > Launched refreshed Parental Leave Policy increasing support for parents with paid superannuation while on unpaid leave and 14 weeks primary carer leave available to all employees during first year of birth / adoption.
- > Reviewed company-wide remuneration practices and closed all identified gender pay gaps.

4. Diversity and inclusion (continued)


We continue to recognise the value that a diverse workforce and inclusive culture brings to the way we work and how we do business with our customers and the communities in which we operate. The FY2021 Diversity and Inclusion objectives are designed to continue to improve our diversity and inclusion maturity across all diversity groups.

FY2021 DIVERSITY AND INCLUSION OBJECTIVES


- 1




Increase the proportion of women in AusNet Service's workforce to 30% by 2022, including 40% of senior management and 25% of all engineering roles.
- 2




Increase Board representation to 30% female Non-executive Directors.
- 3




Support the development of a gender diverse talent pipeline.
- 4



Improve our maturity and engagements across all areas of D&I focus.
- 5



Maintain or increase the proportion of employees working flexibly in order to support the inclusion of all employees regardless of their personal circumstances.
- 6



Achieve WGEA Employer of Choice Citation for Gender Equality by 2021.

5. Ethical and responsible behaviour

5.1 OUR VALUES

At AusNet Services our values are the foundation for how we achieve our business objectives and express the beliefs and principles we agree to share:

WE WORK SAFELY	WE DO WHAT'S RIGHT
WE'RE ONE TEAM	WE DELIVER

Our values are supported by our Code of Conduct and other key governance principles and policies, which are approved by the Board. (ASX Recommendation 3.1)

5.2 CODE OF CONDUCT

AusNet Services is committed to acting ethically and responsibly.

AusNet Services has a Code of Conduct (the Code) which sets out the basic principles and standards of lawful and ethical behaviour expected of all people representing AusNet Services. It acts as a framework for our detailed policies, procedures, practices and guidelines that apply in what remains a highly regulated industry in which AusNet Services operates. It also enables us to report any potential breaches of the standards we expect, in the knowledge that reporting will be completely confidential and without recrimination. It applies to all Directors, officers, employees, contractors and consultants and sets out the AusNet Services' approach in conducting business responsibly and ethically. The ARMC oversees the operation of the Code and reviews significant breaches of the Code, including incidents involving fraud, misconduct or breakdown in the AusNet Services' internal controls.



The Code was updated and approved by the Board during FY2018 and was re-launched to all employees during FY2019. The Code is located on the AusNet Services website. (ASX Recommendations 3.2)

5.3 BRIBERY, FRAUD AND CORRUPTION CONTROL POLICY

In addition, AusNet Services has a Bribery, Fraud and Corruption Control Policy, which prohibits bribery, fraud, corruption and other unethical conduct. AusNet Services' policies and guidelines concerning bribery, fraud and corruption were reviewed and updated by the Board during FY2020 to ensure alignment with the 4th edition of the ASX Principles, which have been adopted by

AusNet Services for the purposes of preparing this Corporate Governance Statement for the financial year ended 31 March 2020.



AusNet Services' Bribery, Fraud and Corruption Control Policy is located on the AusNet Services website. (ASX Recommendation 3.4)

5.4 WHISTLEBLOWER POLICY

In keeping with the spirit of the Code and consistent with the 4th edition of the ASX Principles, AusNet Services has a Whistleblower Policy to encourage anyone engaged in the provision of services to AusNet Services who has witnessed, is aware of, or suspects any wrongful act to report it without fear of reprisal. The Whistleblower Policy was refreshed during FY2019 to ensure alignment with Australia's new whistleblower protection laws and sets out the way in which AusNet Services will respond to reports of wrongful acts. The ARMC oversees AusNet Services' Whistleblower Program. Anonymised reports of whistleblower matters (including any material incidents) are reported to the next ARMC meeting following a report unless the alleged wrongdoing involves a member of senior management, in which case the Board Chairman and ARMC Chairman are notified directly and immediately. In addition, the ARMC is provided with aggregated information about whistleblowing reports on a six-monthly basis.



The Whistleblower Policy is located on the AusNet Services website. (ASX Recommendation 3.3)

As part of AusNet Services' continuous drive to achieve high standards of corporate governance and to encourage a culture of 'speaking up', AusNet Services uses the services of STOPline – an external, confidential provider of whistleblower disclosure services. STOPline provides an additional confidential reporting avenue to report suspected wrongdoings in accordance with the Whistleblower Policy.

5.5 CONFLICTS OF INTEREST

The Board has adopted Conflicts of Interest Guidelines for Directors to guide it on the management of actual and potential conflicts between the interests of a Director or Directors and the interests of AusNet Services, to ensure compliance with the Corporations Act. Each Director is obliged to disclose if he or she has a potential or actual conflict of interest at any time in relation to any matter which relates to the affairs of AusNet Services.

5. Ethical and responsible behaviour (continued)

The Conflicts of Interest Guidelines for Directors were refreshed during FY2020 to ensure alignment with the 4th edition of the ASX Principles which AusNet Services has adopted for the purpose of preparing this Corporate Governance Statement for the financial year ended 31 March 2020. The Conflicts of Interest Guidelines is an internal document and is therefore not available on the AusNet Services website.

5.6 DEALING IN SECURITIES

AusNet Services has adopted Guidelines for Dealing in Securities (the Guidelines).

Through a trading windows approach, the Guidelines establish a best practice procedure relating to the buying and selling of AusNet Services' securities for Directors, executives and senior management, employees, certain contractors, and their associates. Pursuant to the Guidelines, 'Relevant Persons' must not buy, sell or otherwise deal in AusNet Services' securities if they possess non-public, price-sensitive information. Relevant Persons may generally only deal in AusNet Services' securities in the period of six weeks from the second trading day following:

- > the announcement of half-yearly results;
- > the announcement of annual results; and
- > the holding of the AGM.

In addition, the Guidelines were updated during FY2019 to add further share trading approval requirements for Directors, the Managing Director, senior executives and other specified employees ('Designated Persons').

The Guidelines prohibit participants in equity-based incentive plans from entering into hedging or other similar types of transactions or arrangements that operate to limit the economic risk of unvested entitlements to AusNet Services' securities. In addition, the rules governing the AusNet Services Incentive Plans place restrictions on participants from entering into any arrangement for the purpose of hedging their economic exposure to a Right that has been granted to them. (ASX Recommendation 8.3)



The Guidelines are located on the AusNet Services website.

5.7 CONTINUOUS DISCLOSURE

AusNet Services has adopted a Continuous Disclosure and Communications Policy that sets out its practice in relation to continuous disclosure. The Continuous Disclosure and Communications Policy is available on the AusNet Services website. (ASX Recommendation 5.1)

The Company Secretary is primarily responsible for the management of the Continuous Disclosure and Communications Policy, Continuous Disclosure Guidelines and for all communications with the ASX in relation to continuous disclosure issues. The Continuous Disclosure Guidelines set out the process for approving announcements that are made to the ASX, including disclosure matters that require Board approval. All material disclosed to the ASX is published on the AusNet Services website. In addition, new and substantive investor presentations are lodged with the ASX. (ASX Recommendation 5.3) All price-sensitive announcements are circulated to our Directors, senior executives and external auditors.

The Board and all committees consider potential continuous disclosure issues at each of their meetings. The Board gives particular attention to emerging and changing circumstances with a view to determining whether any disclosures are required in respect of those matters.

The Continuous Disclosure and Communications Policy was reviewed and updated by the Board during FY2020 to ensure alignment with the 4th edition of the ASX Principles which has been adopted by AusNet Services for preparation of this Corporate Governance Statement for the financial year ended 31 March 2020.



The Continuous Disclosure and Communications Policy is located on the AusNet Services website.

5.8 HUMAN RIGHTS

AusNet Services embraces its responsibilities as a good corporate citizen in seeking to uphold the internationally recognised human rights² of every person.

AusNet Services is taking steps to identify the risk of modern slavery practices occurring in its operations and supply chains and to then address those risks, if any. This includes appropriate training of its staff, seeking appropriate compliance statements from its suppliers and undertaking human rights due diligence of its suppliers.

² This is a reference to the rights contained in the Universal Declaration of Human Rights as proclaimed by the General Assembly of the United Nations.

6. Risk management and financial reporting

6.1 RISK MANAGEMENT FRAMEWORK

AusNet Services is committed to understanding and effectively managing risk for its shareholders, employees, customers, suppliers and the communities in which it operates. The guiding principle of the Risk Management Framework is to enhance strategic and operational decision-making to optimise business performance by managing exposures.

The Board reviews and guides AusNet Services' system of risk management, compliance and internal controls. This includes setting the risk appetite and ensuring that shareholders are informed in a timely manner of material changes to AusNet Services' risk profile.

The ARMC assists the Board in discharging these responsibilities. The ARMC has oversight of the adequacy and effectiveness of AusNet Services' Risk Management Framework, including risk identification and management processes, the review of AusNet Services' treatment of material business risks (financial and non-financial) and the assessment of whether the business is operating within risk appetite.

The ARMC Charter was reviewed and updated by the Board during FY2020 to ensure alignment with the 4th edition of the ASX Principles which has been adopted by AusNet Services for preparation of this Corporate Governance Statement for the financial year ended 31 March 2020.



The ARMC's Charter is located on the AusNet Services website. (ASX Recommendation 7.1)

The Managing Director is accountable to the ARMC and the Board for the implementation of risk management processes in line with good corporate governance. Management is responsible for embedding sound risk management practices across all business activities and it is expected that all employees, contractors and suppliers proactively identify, manage, review and report risks.

AusNet Services uses its risk management capabilities to maximise the value from its assets, projects and other business opportunities. Risks faced by AusNet Services are managed on an enterprise-wide basis and are identified, analysed, evaluated and prioritised in a consistent manner using common systems and methodologies.

The Risk Appetite Statement is reviewed annually in line with the corporate strategy and business plans.

Management reports to the Board on the management of AusNet Services' material business risks including changes to the risk profile and initiatives taken to improve the framework and further embed a sound risk management culture within the organisation.

The Risk Management Framework is reviewed annually to assess its effectiveness and maturity. Outcomes of the FY2020 review have informed the FY2021 risk management strategy to include enhancements to risk champion capability, implement a quality assurance program on the risk controls library, and advancement of the resilience program. Work to better understand risk culture in the organisation commenced during the year and will continue to be a focus area in the coming year. (ASX Recommendation 7.2)



AusNet Services' Risk Management Policy is located on the AusNet Services website.

6.2 INTERNAL AUDIT

AusNet Services has an internal audit function to assist management, the ARMC, and the Board in the effective discharge of their responsibilities relating to risk management, internal control and governance.

The internal audit function reports to the ARMC and may at any time directly contact the Chairman of the ARMC, and if further required, the Chairman of the Board without the need to involve management. The internal audit function has full access to AusNet Services' personnel, records and properties.

The role of internal audit within AusNet Services is to provide independent and objective assurance on the effectiveness of controls and risk management across the organisation. This is achieved through the delivery of a risk-based internal audit program, approved annually by the ARMC, that includes key strategic, operational, compliance and project risks. Internal audit reports the results of audits to the ARMC and monitors the completion of corrective actions.

Internal audit also helps AusNet Services to accomplish its objectives by evaluating and improving the effectiveness of risk management, internal control and governance processes. (ASX Recommendation 7.3)

6. Risk management and financial reporting (continued)

6.3 ENVIRONMENTAL AND SOCIAL RISKS

For AusNet Services, sustainability means operating an economically, environmentally and socially sustainable business. This is achieved through a robust and evolving strategy to deliver safe and reliable energy to customers and communities, whilst generating lasting value for stakeholders. In the process of doing this, AusNet Services respects and embeds key principles on labour practices, human rights, diversity and environmental protection throughout its operations and supply chains. (ASX Recommendation 7.4)

A) GOVERNANCE AND STRATEGY

The energy industry continues to experience significant change impacted by a range of disruptive factors. The Board and management consider the potential impacts of sustainability and climate-related risks as part of the strategic planning process.

These risks include the security, reliability and safety of energy networks, the transitional and physical impacts of climate change including the transition towards renewable generation and decarbonisation, the adoption of Distributed Energy Resources and the subsequent increase in the complexity of operating networks in this changing environment.

AusNet Services' strategic responses include the active involvement in the ongoing national energy debate, working with communities on innovative energy projects such as mini grids and investing resources to realign energy networks to support changes in generation and greater variances in climatic conditions.

B) RISK MANAGEMENT

AusNet Services utilises internal and external data sources to actively assess drivers of emerging and material sustainability and climate-related risks. These are managed under the AusNet Services Risk Management Framework and consider the potential impact to the broader environment and community.

The ARMC oversees the operation of the Risk Management Framework and receives reports from management on key risks and risk management activities including network resilience risks and climate-related risks. Risk events may be caused by environmental factors including natural disasters such as bushfires and floods and severe weather events as well as asset failure and/or sabotage.

The risks associated with bushfire prevention and management are always at the forefront of AusNet Services' strategy and business planning. Key activities to mitigate these risks include significant

investment in bushfire mitigation programs such as asset inspection and maintenance, undergrounding of power lines in high bushfire risk areas, vegetation management and maintaining robust incident management practices. AusNet Services is also implementing Rapid Earth Fault Current Limiter (REFCL) technology in higher bushfire risk areas to reduce the risk of fire starts in some parts of the network.

Our missionZero safety program has continued throughout the year aiming to achieve the highest standards in health and safety to minimise the risk of workplace injuries. During the year, the missionZero program has focused on energising our approach to safety to focus on the elements of leadership, behaviours, systems and measurement and safer work environments and to ensure that our HSEQ initiatives are suited to our current and future business environment. In addition, several high-consequence safety risks have been analysed to confirm the effectiveness of current controls and to identify additional strategies to further reduce these risks. To keep our employees, contractors and communities safe, we continue to drive improvement in safety.

C) METRICS AND TARGETS

In addition to assessing greenhouse gas emissions, AusNet Services uses a range of metrics and targets to monitor operational performance in relation to sustainability risks. These include ongoing monitoring of safety performance, gender diversity, customer experience, the bushfire mitigation index, environmental compliance, network outages, progress on implementation of the REFCL program and gas mains renewals programs.

During FY2020, AusNet Services continued to progress activities and initiatives targeted on the major sustainability themes identified in the prior year, which are relevant to AusNet Services. These themes cover safety, customers, responsible business and climate change. More information on AusNet Services' performance against these themes is available in the *2020 Annual Report*.

In addition, detail on material risks, including how these risks are managed, is contained in the 'Material Risks and Uncertainties' section of the Directors' Report, which is included in the *2020 Annual Report*. (ASX Recommendation 7.4)

6. Risk management and financial reporting (continued)

6.4 FINANCIAL REPORTING

The Board has ultimate responsibility for ensuring the integrity of AusNet Services' financial reporting. The following practices assist in discharging the Board's responsibility.

A) DECLARATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

The Managing Director and the Chief Financial Officer provide to the Board a written declaration, in accordance with section 295A of the Corporations Act and ASX Recommendation 4.2, that, in their opinion, the financial records for AusNet Services, and the individual entities comprising AusNet Services, have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of AusNet Services' financial position and performance and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. (ASX Recommendation 4.2)

Prior to review and confirmation by the Board, the ARMC reviews the due diligence process that is undertaken to support the declarations provided by the Managing Director and Chief Financial Officer in relation to the full-year and half-year results. The Board has received the Managing Director's and the Chief Financial Officer's declaration in respect of the financial reports for the financial year ended 31 March 2020.

To enable the Managing Director and Chief Financial Officer to provide the declaration, senior executives and their nominated staff complete representations providing assurances in relation to their respective areas of responsibility.

B) EXTERNAL AUDITOR INDEPENDENCE

AusNet Services' policy is to appoint an external auditor who is suitably qualified and whose independence is unequivocal.

The ARMC has approved an Auditor Independence Policy which is intended to maintain the independence of AusNet Services' external auditor by regulating the provision of non-audit services by the external auditor. The Auditor Independence Policy sets out authority limits for approving any non-audit services to be performed by the external auditor.



The Auditor Independence Policy may be found on the AusNet Services website (as an attachment to the ARMC Charter).

The Chief Financial Officer provides a quarterly report to the ARMC, which describes any non-audit services provided by the external auditor since the last report.

The ARMC reviews the performance of the external auditor annually and is responsible for making recommendations to the Board in relation to the appointment or re-appointment of the external auditor. The ARMC determines the term of the external auditor's appointment and reviews the terms, scope and results of the audit.

The ARMC also reviews the Auditor Independence Policy and compliance with that Policy, seeking to balance the maintenance of independence and objectivity of the external auditor and value for money. The ARMC also ensures that the external audit engagement partner for AusNet Services rotates off AusNet Services' audit at least every five years.

The present external auditor for AusNet Services is KPMG.

The external auditor attends AusNet Services' AGM and is available to answer questions from shareholders relevant to the audit.

Further details of the services provided by the external auditor and the fees paid or payable for those services are set out in the Directors' Report, which is included in the *2020 Annual Report*.

Where a periodic corporate report is not required to be audited or reviewed by an external auditor, AusNet Services conducts an internal verification process to confirm the integrity of the report, to ensure that the content of the report is materially accurate, and to provide investors with appropriate information to make informed investment decisions. (ASX Recommendation 4.3) The Continuous Disclosure and Communications Policy requires the Board to approve all announcements within the reserved powers of the Board or which are of fundamental significance to AusNet Services. Copies of all material market announcements are also required to be circulated to the Board promptly, to ensure the Board has timely oversight of the nature and quality of information being disclosed to the market. (ASX Recommendation 5.2)

7. Shareholder and stakeholder engagement

The AusNet Services Investor Relations Team facilitates an annual program of engagement with the investment community, including corporate, institutional and private investors, proxy advisors, the Australian Shareholders Association, sell-side and buy-side analysts and the financial media. The engagement is intensive following the publication of the half-year and full-year results and at the AGM, with results presentations and general meeting outcomes being released to the market.

AusNet Services holds Investor Open Days periodically for institutional investors and sell-side analysts, focusing on key business issues and providing a further opportunity for investors and analysts to engage with AusNet Services. Further, Investor Relations facilitates numerous meetings for investors and analysts throughout the year, except during investor 'black-out' periods (i.e. between balance date and results release date) where meetings are not conducted. Investor Relations seeks to ensure that the investment community has accurate and up-to-date information about AusNet Services upon which to base their investment decisions. The role of Investor Relations also involves responding to a regular flow of enquiries and requests for information, which are accommodated to the extent that the information provided is already in the public domain. Investor Relations also seeks to act as an effective conduit between the market and the AusNet Services Board and senior management, regularly communicating feedback from the market.

Investor sentiment and feedback are valued and taken into account by the Board in shaping the strategic direction of AusNet Services. We ensure that our disclosure practices remain consistent with regulatory requirements and our internal policies and that they continue to meet the needs of the investment community. (ASX Recommendation 6.2)

All relevant announcements made to the market and related information, such as information and presentations provided to analysts, are published on the AusNet Services website after they have been released to the ASX (as applicable). The full-year and half-year financial results are also published on the website. AusNet Services makes available on the website the preceding three years' press releases and announcements as well as the preceding three years of financial data.

AusNet Services encourages shareholder participation at its AGM, including by asking questions. Given the potential health risks and government restrictions in response to the coronavirus pandemic, AusNet Services will implement various measures to facilitate shareholder participation at the AusNet Services 2020 AGM, which will include a live webcast (ASX Recommendation 6.3). Shareholders can submit written questions in advance of the meeting via the AusNet Services share registry and all resolutions are decided by a poll, allowing all shareholders to vote on the basis of the number of securities held by them. Voting on a poll also allows shareholders to register their vote regardless of whether they attend the meeting or not (ASX Recommendation 6.4). Further details about how shareholders can participate at the 2020 AGM will be provided in the 2020 Notice of Meeting.



The full text of notices of meeting and explanatory material will be published on the AusNet Services website.

AusNet Services has a dedicated team and email address to handle shareholder communications.

AusNet Services' securities registrar, Computershare, facilitates the provision of communications between AusNet Services and its shareholders electronically. Shareholders can make a choice about how they wish to receive information from AusNet Services and can elect to receive AusNet Services' documents including notices of meetings, annual reports, dividend advices and other correspondence electronically. Shareholders can also lodge their proxies electronically. AusNet Services has a dedicated email address to facilitate electronic communication between investors and Computershare. (ASX Recommendation 6.5)

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

AusNet Services Ltd

ABN/ARBN

ABN 45 603 317 559

Financial year ended:

31 March 2020

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

<http://www.ausnetservices.com.au/About-Us/Corporate-Governance>

The Corporate Governance Statement is accurate and up to date as at 11 May 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 12 May 2020

Name of authorised officer: Paul Lynch
authorising lodgement: Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> at Section 2 'Our Board' and we have disclosed a copy of our board charter at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> at Section 2.5 'Appointment of Directors'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> at Section 2.5 'Appointment of Directors'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> at Section 2.8 'Company Secretary'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

⁵ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance and we have disclosed the information referred to in paragraph (c) at: Section 4 'Diversity and Inclusion' and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at Section 2.9 'Board Performance Evaluation' and whether a performance evaluation was undertaken for the reporting period in accordance with that process at Section 2.9 'Board Performance Evaluation'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at Section 2.10 'Performance of Executives' and whether a performance evaluation was undertaken for the reporting period in accordance with that process at Section 2.10 'Performance of Executives'	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<input type="checkbox"/>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement at Section 3 'Board Committees'.</p> <p>We have disclosed a copy of the charter of the committee at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance, and the information referred to in paragraphs (4) at Section 3 'Board Committees', and (5) in the Directors' Report, which is included in the 2020 Annual Report at pages 44</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: Section 2.4 'Skills and Experience of Directors'	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: 2.6 'Independence of Directors' and, where applicable, the information referred to in paragraph (b) at: 2.6 'Independence of Directors' and the length of service of each director at:</p> <p>https://www.ausnetservices.com.au/Misc-Pages/Links/About-Us/Board-of-Directors</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement at Section 2.6 'Independence of Directors'
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> at Section 2.3 'Role of the Chairman and the Managing Director'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> at Section 2.7 'Induction and Continuing Education'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> at Section 5.1 'Our Values' and we have disclosed our values at: http://www.ausnetservices.com.au/Misc-Pages/Links/About-Us/Strategy-and-Values	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	<input checked="" type="checkbox"/> at Section 5.2 'Code of Conduct' and we have disclosed our code of conduct at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> at Section 5.4 'Whistleblower Policy' and we have disclosed our whistleblower policy at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	<p><input checked="" type="checkbox"/> at Section 5.3 'Bribery, Fraud and Corruption Control Policy' and we disclosed our anti-bribery and corruption policy at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance , and the information referred to in paragraphs (4) at Section 3 'Board Committees', and (5) in the Directors' Report, which is included in the 2020 Annual Report at page 44	<input type="checkbox"/> set out in our Corporate Governance Statement
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<input checked="" type="checkbox"/> at Section 6.4(a) 'Declaration by the Managing Director and the Chief Financial Officer'	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<input checked="" type="checkbox"/> at Section 6.4 'Financial Reporting'	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> at Section 6.4 Financial Reporting and the Continuous Disclosure and Communications Policy on our website at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> at Section 5.7 'Continuous Disclosure' and the Continuous Disclosure and Communications Policy on our website at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> at Section 7 'Shareholder and Stakeholder Engagement'	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at Section 7 'Shareholder and Stakeholder Engagement'	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> at Section 7 'Shareholder and Stakeholder Engagement'	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> at Section 7 'Shareholder and Stakeholder Engagement'	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance , and the information referred to in paragraphs (4) at Section 3 'Board Committees', and (5) in the Directors' Report, which is included in the 2020 Annual Report at page 44	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at Section 6.1 'Risk Management Framework'	<input type="checkbox"/> set out in our Corporate Governance Statement
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs at Section 6.2 'Internal Audit'	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at Section 6.3 'Environmental and Social Risks' and, if we do, how we manage or intend to manage those risks at Section 6.3 'Environmental and Social Risks'	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<input type="checkbox"/>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement at Section 3 'Board Committees'.</p> <p>We have disclosed a copy of the charter of the committee at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance, and the information referred to in paragraphs (4) at Section 3 'Board Committees', and (5) in the Directors' Report, which is included in the 2020 Annual Report at page 44</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<input checked="" type="checkbox"/> at Section 2.11 'Remuneration' and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report, which is included in the 2020 Annual Report at page 47	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<input checked="" type="checkbox"/> at Section 5.6 'Dealing in Securities' and we have disclosed our policy on this issue or a summary of it at: http://www.ausnetservices.com.au/About-Us/Corporate-Governance	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input checked="" type="checkbox"/> and we have disclosed information about the processes in place at Section 2.5 'Appointment of Directors'	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES – NOT APPLICABLE TO AUSNET SERVICES LTD			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>