

DUET Company Limited
ABN 93 163 100 061
DUET Investment Holdings Limited
ABN 22 120 456 573
DUET Finance Limited
ABN 15 108 014 062
AFS Licence No. 269287

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26 September 2014

ASX RELEASE

APPENDIX 4G AND 2014 CORPORATE GOVERNANCE STATEMENT

DUET Group (DUET) has today lodged the attached Appendix 4G and 2014 Corporate Governance Statement.

For more enquiries, please contact

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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

DUET Company Limited (ABN 93 163 100 061) (DUECo) DUET Investment Holdings Limited (ABN 22 120 456 573) (DIHL) DUET Finance Limited (ABN 15 108 014 062) (DFL) in its personal capacity and as responsible entity of DUET Finance Trust (ARSN 109 363 135) (DFT) in combination referred to as "DUET" or the "DUET Group". Units in DFT and shares in DIHL, DUECo and DFL are stapled together (Stapled Securities)

ABN/ARBN

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Financial year ended

30 June 2014

Our corporate governance statement² for the above period above can be found at:³

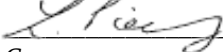
☐ these pages of our annual report: _____

☒ this URL on our website: <http://www.duet.net.au/About-DUET/CorporateGovernance.aspx>

The Corporate Governance Statement is accurate and up to date as at 26 September 2014 and has been approved by the board.

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

Date here: 26 September 2014

Sign here: 
Company secretary

Print name: Leanne Pickering

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/CorporateGovernance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx and</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <hr/> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle1.aspx</p> <hr/> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so 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>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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>(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>	<p>[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: N/A _____</p> <p><i>Insert location here</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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, association 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, association 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>... the names of the directors considered by the board to be independent directors:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>N/A _____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle2.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<u>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</u>			
3.1	A listed entity should:	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle3.aspx and</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
<p>4.1 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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle4.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle4.aspx and http://duet.net.au/About-DUET.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: N/A _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.2	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>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle4.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	A 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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle4.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle5.aspx and</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle6.aspx and</p> <p>http://duet.net.au/About_DUET.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle6.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle6.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle6.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx and</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>N/A _____</p> <p>_____</p> <p><i>Insert location here</i></p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (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 risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: N/A _____ <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle7.aspx _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle8.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle8.aspx</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>N/A _____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle8.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Approach-and-principles/Principle8.aspx and</p> <p>http://duet.net.au/About-DUET/Corporate-governance/Group-policy-documents.aspx</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>N/A _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
-	<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>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>N/A_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



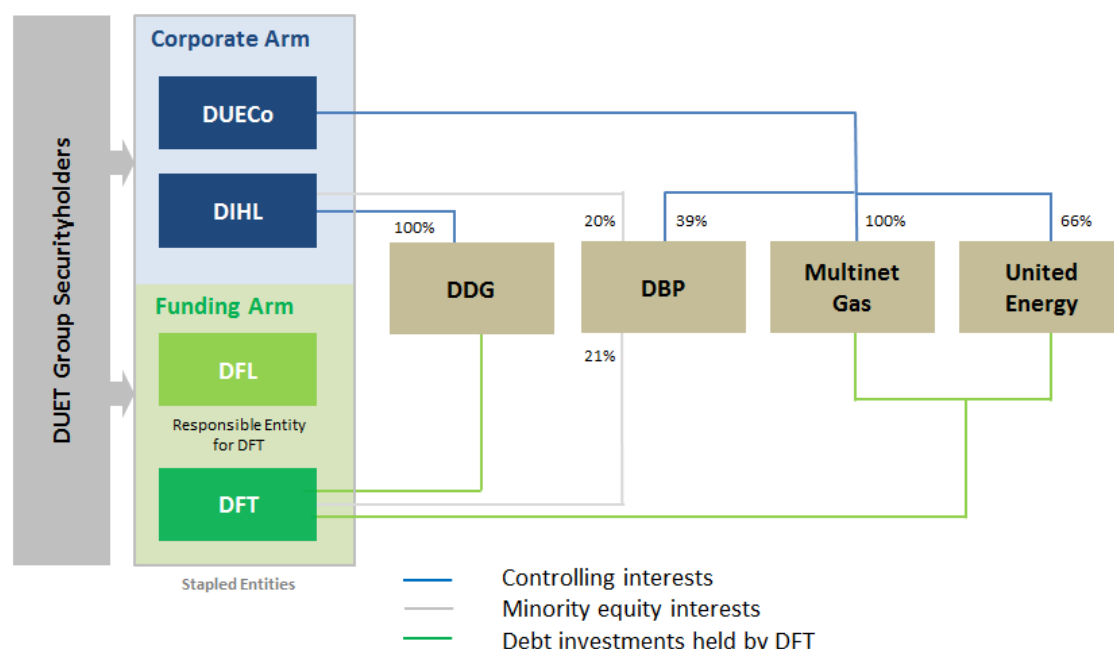
Corporate Governance Statement

2014

Corporate Governance Statement – as at 26 September 2014

DUET 's structure

Since 1 August 2013, DUET has comprised three Australian public companies: – DUET Company Limited (DUECo), DUET Investment Holdings Limited (DIHL) and DUET Finance Limited (DFL) (collectively the companies) and one Australian trust – DUET Finance Trust (DFT or the Trust). The structure is represented diagrammatically below.



Note: Structure is in summary form with interposed entities not shown

The securities of the Trust and companies are listed on the ASX (ASX: DUE) and must trade and otherwise be dealt with together. There is a Stapling Deed in place between all four entities setting out co-operation arrangements for the operation of this stapled structure.

Between 4 December 2012 and 31 July 2013, DUET was a six stapled structure that comprised three Australian trusts – Diversified Utility and Energy Trust No.1 (DUET1), Diversified Utility and Energy Trust No.2 (DUET2) (now known as DUET Finance Trust) and Diversified Utility and Energy Trust No.3 (DUET3) and three Australian public companies - DUET Investment Holdings Limited (DIHL), DUET Management Company 1 Limited (RE1) and DUET Management Company 2 Limited (RE2) (now known as DUET Finance Limited).

DUET's approach to corporate governance

The DUET boards are committed to DUET's achievement of superior and sustainable financial performance and long-term prosperity, while meeting stakeholders' expectations of sound corporate governance practices. This statement outlines DUET's main corporate governance practices as at 26 September 2014.

The DUET boards determine the corporate governance arrangements for DUET. As with all its business activities, DUET is proactive in respect of corporate governance and puts in place those arrangements which it considers are in the best interests of DUET and its investors and consistent with its responsibilities to other stakeholders. It actively reviews Australian and international developments in corporate governance.

ASX Corporate Governance Principles

The ASX Corporate Governance Council (the Council) has Corporate Governance Principles and Recommendations (the Principles) which are designed to maximise corporate performance and accountability in the interests of shareholders and the broader economy. The Principles encompass matters such as board composition, committees and compliance procedures.

The Principles (being those under ASX's 3rd edition of Corporate Governance Principles and Recommendations dated March 2014) can be viewed at www.asx.com.au. The Principles are not prescriptive, however ASX listed entities (including DUET) are required to disclose the extent of their compliance with the Principles, and to explain why they have not adopted a Principle if they consider it inappropriate in their particular circumstances.

DUET's corporate governance statement is in the form of a report against the Principles. DUET's corporate governance policies conform to the Principles and we have taken the opportunity to early adopt the 3rd edition of the Principles and have lodged with the ASX an Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations). A summary of our disclosure against the Principles is set out below.

Corporate Governance Checklist

Corporate Governance Council Recommendation		Does DUET follow the recommendation?
Principle 1 - Lay solid foundations for management and oversight		
1.1	Disclose roles and responsibilities of board and management	✓
1.2	Undertake appropriate checks before appointing or electing a person as director	✓
1.3	Written agreement with each director and senior executive	✓
1.4	Company Secretary accountable directly to Board	✓
1.5	Diversity Policy disclosures reported	✓
1.6	Board performance evaluation undertaken	✓
1.7	Senior executive performance evaluation undertaken	✓
Principle 2 – Structure the board to add value		
2.1	Nomination committee requirements met	✓
2.2	Board skills matrix disclosed	✓
2.3	Director Independence and tenure disclosed	✓
2.4	Majority of the board are independent directors	✓
2.5	Chair of the board is an independent director and not the same person as the CEO	✓
2.6	Director induction and ongoing training program	✓
Principle 3 – Act ethically and responsibly		
3.1	Code of conduct available on website	✓
Principle 4 – Safeguard integrity in corporate reporting		
4.1	Audit committee requirements met	✓
4.2	CEO and CFO financial statements declarations received	✓
4.3	External auditors attend AGM and available to answer questions from securityholders	✓
Principle 5 – Make timely and balanced disclosure		
5.1	Continuous Disclosure Policy available on website	✓
Principle 6 – Respect the rights of securityholders		
6.1	Corporate and governance information available on website	✓
6.2	Investor relations program	✓
6.3	Processes to facilitate and encourage participation at securityholders meetings	✓
6.4	Electronic securityholder communication functionality	✓
Principle 7 – Recognise and manage risk		
7.1	Risk committee requirements met	✓
7.2	Annual review of risk management framework	✓
7.3	No internal audit function but internal control processes in place	✓
7.4	Disclosure of material exposure to, and management of, economic, environmental and social sustainability risk	✓
Principle 8		
8.1	Remuneration committee requirements	✓
8.2	Remuneration practices disclosed	✓
8.3	Remuneration Policy disclosures regarding equity based remuneration	✓

What you can find on our website:

- The latest ASX Appendix 4G

Principle 1: Lay solid foundations for management and oversight

DUET follows all recommendations set out in Principle 1.

Recommendation 1.1 – Board delegations

Responsibility for corporate governance and the internal working of each DUET entity rests with the board of DUECo, DFL or DIHL, as the case may be. The board of each company has adopted a formal charter of directors' functions and matters to be delegated to management, having regard to the recommendations in the Principles. An outline of the boards' responsibilities in each company's charter is set out below:

- Setting objectives, goals and strategic direction for management, with a view to maximising investor wealth
- Monitoring the implementation of DUET's investment policy
- Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestures
- Adopting an annual budget and monitoring its financial performance
- reviewing the performance of the CEO and CFO or their equivalents and where appropriate replacing those officers
- Appointing and removing the company secretary
- Monitoring senior management's performance, implementation of strategy, and resources
- Reviewing, ratifying and monitoring systems of risk management, compliance and codes of conduct
- Approving and monitoring financial and other reporting
- Setting the highest business standards and codes for ethical behaviour and monitoring compliance with them.

In addition to the matters outlined above, the charters provide for the DUET boards to make all decisions in respect of investments and divestments, any further funding or security required for existing investments, capital management and restructuring, approval of financial accounts, appointment of auditors, distributions, annual reports, significant ASX releases and any significant changes to policies or debt facilities. The CEO and CFO have delegated authority (through directorships on asset boards) to make decisions in respect of corporate level day-to-day administration up to certain delegated levels and day-to-day matters for asset administration including appointment of advisers and approvals of asset business plans, budgets, capital expenditure, refinancings, hedging and valuations.

Full board meetings are held at least bi-monthly for DUECo, DIHL and DFL. Other meetings are called as required. Directors are provided with board reports in advance of board meetings, which contain sufficient information to enable informed discussion of all agenda items.

Recommendation 1.2 and 1.3 – Background checks and appointment letters

Each independent/non-executive director of DUECo, DIHL and DFL has undergone appropriate background checks (including character, experience, education, criminal record and insolvency) and has received a letter of appointment which details the key terms of their appointment. This letter includes all of the recommended matters in the Principles. Each director also enters into required agreements regarding insurance, access to records and disclosure of any trading in DUET securities as required under the Listing Rules.

The 2014 Notice of Meeting for the election of directors sets out all information suggested by Recommendation 1.2.

The CEO, CFO and Company Secretary, being DUET's senior executives, have formalised job descriptions and, letters of appointment. To ensure that the DUET senior executives properly perform their duties, the following procedures are in place:

- The performance of staff, including the CEO, CFO and Company Secretary, is assessed as part of DUET's formal employee performance appraisal process. Employees are assessed against set behavioural and technical competencies. The assessment criteria used in determining remuneration is outlined in the 2014 remuneration report. The relevant boards provide annual feedback on the performance of the CEO, CFO and Company Secretary and the chairman of the board and remuneration committee conducts the annual performance review with the CEO, CFO and Company Secretary.

- A formal review for the CEO, CFO and Company Secretary was undertaken during the financial year ending 30 June 2014
- A formal induction program was undertaken to allow senior executives to participate fully and actively in management decision-making
- Executives have access to continuing education to update and enhance their skills and knowledge.

Any material changes to the CEO's employment agreement will be notified to the ASX in accordance with the Listing Rules (as was done on 16 June 2014).

Recommendation 1.4 – Company Secretary reports to the Board

The Company Secretary has a direct reporting line to each of the DIHL, DUECo and DFL Boards in regard to all matters to do with the proper functioning of those boards and their committees.

Recommendation 1.5 - Diversity Policy

DUET respects and values diversity in its boards and workforce at all levels and has established a diversity policy, a summary of which can be found on our website.

DUET seeks to influence diversity in the group based on the principles outlined in its diversity policy.

DUET seeks to influence diversity at each of its business units through board representatives seeking to promote the implementation of appropriate diversity policies in these businesses to the extent that they are able under the co ownership arrangements.

An annual review of diversity is considered by the DUET Nomination Committees and boards. This will monitor DUET's progress in influencing diversity at the board level, in its management team and in the workforces of its utility businesses.

The achievement of gender diversity is measured in the terms of the advancement of women as follows:

- increasing the number of women on the DUET boards over time as part of the board renewal process. In this regard, as part of DUET Group's structure simplification in August 2013 and as part of the board succession planning in May 2014, an additional three women were appointed to the DUET boards.
- increasing the number of women in senior management roles within the group and generally in the workforce of DUET's business units over the next 5 years.

Currently there are four women on the DUET boards and one woman (company secretary/general counsel role) in a three person DUET senior executive team. DUET defines senior executives as key management personnel (as set out in the Remuneration Report) (ie the CEO and CFO) and those with a direct reporting line to the Board (ie the Company Secretary / General Counsel). Overall there are approximately 55% women in the DUET management team. They perform mainly support roles.

Diversity policies and initiatives are in place at Multinet, UED and DBP and further detail is included in the environmental and social responsibility section of the Annual Report.

Recommendation 1.6 - Board performance evaluation

To ensure that the directors of DUECo, DIHL and DFL are properly performing their duties, the following procedures are in place in accordance with recommendations 1.6 and 2.6:

- A formal annual performance self-assessment of the boards, the audit and risk committees and individual directors
- A formal induction program for directors (including briefings with the CEO, CFO, General Counsel, Company Secretary and asset company site visits including management briefings)
- Access by directors to continuing education to update and enhance their skills and knowledge.

The procedure for evaluation of the boards' performance is:

- Directors are given the opportunity to discuss individual performance and feedback on performance via questionnaire and if necessary the chairman meets with each independent director to discuss the effectiveness of the board and board committees as a whole

- The board as a whole discusses and analyses board and committee performance during the year, including suggestions for change or improvement, based on the questionnaire responses and the chairman's feedback from conducting separate meetings (if any) with the independent directors.

An evaluation of board performance was undertaken during the financial year ended 30 June 2014 with no material changes proposed to the Board processes or individual director contributions.

What you can find on our website:

- A summary of the DUECo, DIHL and DFL board charters
- The DUET FY2014 Remuneration Report
- A summary of the diversity policy.

Principle 2: Structure the board to add value

DUET follows all recommendations set out in Principle 2.

Recommendation 2.3 – Board Composition

Profiles of the directors can be found on the DUET website. Directors with a range of experience, qualifications and experience are appointed to the board to enable each of the boards to effectively discharge their duties and to add value to the board's deliberations. In accordance with Recommendation 2.3, the names, tenure and independence status of each director is set out below.

DUECo and DIHL board of directors

The DUECo and DIHL board of directors is comprised as follows:

Director Name	Position	Classification	Appointment Date	Last Election by Securityholders
Douglas Halley	Chairman	Independent	13 February 2006 – DIHL 2 August 2013 - DUECo	22 November 2013
Emma Stein	Director	Independent	12 July 2006 – DIHL 2 August 2013 – DUECo (previously appointed as a director of a DUET responsible entity from 16 June 2004)	22 November 2013
Ron Finlay	Director	Independent	4 August 2006 – DIHL 2 April 2013 - DUECo	22 November 2013
Duncan Sutherland¹	Director	Independent	2 August 2013 – DIHL 2 August 2013 – DUECo (previously appointed as a director of a DUET responsible entity from 16 June 2004)	18 July 2013
Shirley In't Veld	Director	Independent	2 August 2013 – DIHL 2 April 2013 – DUECo	18 July 2013
Jack Hamilton	Director	Independent	23 May 2014 – DIHL 23 May 2014 – DUECo	
John Roberts	Director	Non-Executive	29 June 2006 DIHL 2 August 2013 – DUECo (previously appointed as a director of a responsible entity from 14 May 2004)	22 November 2013

¹ As announced on 23 May 2014, Duncan Sutherland will retire as a director at the conclusion of the 2014 AGM on 19 November 2014.

DFL board of directors

The DFL board of directors is comprised as follows:

Director Name	Position	Classification	Appointment Date	Last Election by Securityholder
Eric Goodwin	Chairman	Independent	16 June 2004 (appointed chairman 2 August 2013)	22 November 2013
Ron Finlay	Director	Independent	16 June 2014	22 November 2013
Jane Harvey	Director	Independent	2 August 2013 (previously appointed as a director of DUET Company Limited from 2 April 2013)	18 July 2013
Terri Benson	Director	Independent	23 May 2014	

Recommendation 2.1 -Nomination committee

Each of DUECo, DIHL and DFL have appointed a Nomination Committee which reviews board composition and succession planning. As at September 2014, the composition of the Nomination Committees of each board and the Committee meeting held and attending during the financial year ending 30 June 2014 in accordance with recommendation 2.1 are set out below.

DUECo and DIHL	Meetings attended ¹	DFL	Meetings attended ²
Emma Stein (NomCom chair)	6	Terri Benson (chair)	Nil
Doug Halley	6	Eric Goodwin	Nil
John Roberts	5	Jane Harvey	Nil
Shirley In't Veld (RemCom chair)	6		

1. 6 meetings held for DIHL/DUECo

2. No separate DFL Nomination Committee meetings held but succession planning was considered by the DFL board and all DFL directors were part of the selection panel for the new director appointment on 23 May 2014.

Recommendation 2.2 to 2.6 - Appointment to the boards, director appointments, independence, diversity and skills matrix

Since the internalisation of DUET's management arrangements in December 2012, all directors (except for those appointed in May 2014) were re-elected by securityholders in 2013.

The DUET Boards consider the selection of appropriately experienced independent directors as an important contribution to DUET's performance. From an investor protection viewpoint, DUET has a majority of independent directors on all of the DUET boards and independent chairman.

Details of the appointment arrangements are set out below.

- Conduct appropriate background checks, enter director appointment documentation and conduct a formal induction program as set out at Recommendation 1.6.
- The board is to comprise at least three directors and not more than 10 directors.
- The Constitution of DUECo, DIHL and DFL contain criteria regarding the eligibility of directors to the effect that:
 - The Chairperson of DIHL and DUECo will be the same person and cannot be a director of DFL; and
 - DFL can have one (but can have no more than one) director who is also a director of DUECo and/or DIHL.
- In accordance with Recommendation 2.4, independent directors are to comprise a majority of the board.
- The board is to comprise directors with an appropriate range of qualifications and expertise.
- In accordance with the commentary in Recommendation 2.3 in regard to the indicia of independence, to ensure that the board has the benefit of regular new input and to avoid the potential for loss of objectivity over time, any director who has served on the Board for more

than 10 years will have their independence assessed on an annual basis. When such a director is next due for re-election by securityholders, the director can only continue to hold office if their ongoing candidacy is recommended by the Nomination Committee which is the case in regard to all directors originally appointed in June 2004.

Independence

Independence of directors determined by objective criteria is acknowledged as being desirable to protect investor interests and to optimise the financial performance of DUET and returns to investors.

In determining the status of a director, DUET applies the standards of independence which are the same as the factors set out in Box 2.3 of the Principles. Full details of DUET's independence criteria are as follows:

An independent director is a director of the responsible entity and/or special purpose vehicle who is not a member of management (a non-executive director) and who meets the following criteria:

- Is not, and has not, within the last three years, been:
 - employed in an executive capacity by any member of the DUET Group or any of the Company's child entities;
 - a director who has been a partner, director or senior employee of a provider of material professional services to DUET; or
 - in a material business relationship (eg as a supplier or customer) with DUET or any of its child entities, or an officer of or otherwise associated with, someone with such a relationship.
- Is not a substantial securityholder (as defined in the Corporations Act) of DUET or an officer of, or otherwise associated with, a substantial securityholder of DUET.
- Has no material contractual relationships with DUET or any of the Company's child entities other than as a director.
- Has no close family ties with any person who falls within any of the categories described above.
- Has not been a director of any of the DUET Group stapled entities for such a period that his or her independence may have been compromised.

The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. The above criteria are satisfied if any interest or relationship does not materially interfere with the exercise of a Voting Director's independent judgement. Materiality is assessed having regard to each individual director's circumstances, the circumstances of the Substantial Holder, supplier, customer or advisor and any other significant relationships with DUET.

Each year Independent directors are required to provide DUET with written confirmation of their independence status and they have each undertaken to inform DUET if they cease to satisfy the DUET independence criteria at any time.

As part of the preparation of the Notice of Meeting for the 2014 Annual General Meeting in August 2014, the Nomination Committees and Boards considered the independence of each director and determined that all directors, except for John Roberts, are independent. In particular, that any director that has served on the Board for more than 10 years has not become too close to management to be considered independent. The company secretary also monitors compliance with the DUET independence criteria and seeks information from the independent directors in this regard if necessary and reports to the board.

Director selection, diversity and skills matrix

The following guidelines apply to director selection and nomination:

- Integrity
- Reputation and standing in the market
- Particular expertise (sector and functional) and the degree to which they complement the skill set of the existing board members
- Contribution to the diversity of the board in particular, increasing the number of women on the boards and representation from jurisdictions in which the asset companies are situated as part of the board renewal process

DUET currently has a diverse range of skills amongst its directors including finance, audit, treasury, accounting, prior CFO's and CEO's, legal, corporate governance, capital markets, M&A, infrastructure and major projects, resources, energy and engineering.

In the case of prospective independent directors, actual and perceived independence from DUET is also considered. Professional intermediaries and/or industry contacts are used to identify and/or assess candidates. In accordance with Recommendation 2.2 a board skills matrix has been developed and regard is had to diversity, director or chairmanship experience and the appropriate mix of financial, professional and specific industry skills (as set out below) as part of the appointment and board succession process.

As noted at Recommendation 1.6 and above, a formal induction program is conducted for all new directors.

Chairman

The chairman of the DUECo and DIHL board is Doug Halley, an independent director. The chairman of the DFL board is Eric Goodwin, an independent director.

In all cases, the chairman does not exercise the role of CEO. That role is performed by David Bartholomew who was appointed as CEO in February 2011. The DUECo, DIHL and DFL board charters provide that the independent directors of each entity will separately meet at least once per year in the absence of management and at other times as they determine.

Independent professional advice

The directors of DUECo, DIHL and DFL are entitled to obtain independent professional advice at the cost of the relevant trust or company subject to the estimated costs being first approved by the chairman as reasonable.

What you can find on our website:

— A summary of the DUECo, DIHL and DFL Nomination Committee Charters.

Principle 3: Act ethically and responsibly

DUET follows the recommendation set out in Principle 3.

DUET is committed to being a good corporate citizen and has a robust framework of policies to achieve this.

Recommendation 3.1 - Code of Conduct

Ethical conduct

DUET's Code of Conduct covers DUET's dealing with external parties and how it operates internally. The Code sets the standards for dealing ethically with employees, investors, customers, regulatory bodies and the financial and wider community, and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour. The Code includes whistleblower, anti-corruption and dealing with governments and anti-money laundering policies.

The Code is periodically reviewed and endorsed by the DUET Boards. The Code is distributed to all directors and staff and reinforced at induction and other training programs.

Managing conflicts

DUET has established protocols for identifying and managing conflicts.

In the case of the DUET Boards:

- Board members declare their interests as required under the Corporations Act, ASX Listing Rules and other general law requirements
- Board members with a material personal interest in a matter are not present at a Board meeting during the consideration of the matter and subsequent vote unless the Board (excluding the relevant Board member) resolves otherwise
- Board members with a conflict not involving a material personal interest may be required to absent themselves from the relevant deliberations of the Board.

Personal conflicts that might arise generally for directors and staff are covered by the Code of Conduct referred to above.

Staff and director trading

A policy on securities dealings is in place under which directors and staff are restricted in their ability to deal in DUET stapled securities. Security trading by DUET directors, officers and staff is permitted only during four-week special trading windows following the release of DUET's half-yearly and yearly financial results, and following the annual general meeting or lodgement with ASIC and ASX of a disclosure document for a capital raising or a cleansing statement for a rights issue.

When the trading window is not opened following results announcements, pending disclosure of significant transactional activity being undertaken by DUET, a special four-week trading window may apply following an ASX release in respect of the transaction.

What you can find on our website:

- A summary of the code of conduct
- A summary of the main provisions of the securities (windows) trading policy
- A description of DUET's environmental and social responsibility management policy

Principle 4: Safeguard integrity in financial reporting

DUET follows all of the recommendations set out in Principle 4.

Recommendation 4.1 – Composition audit and risk committees

Each of DUECo, DIHL and DFL has appointed an audit and risk committee which:

- includes members with appropriate financial qualifications and experience
- has at least 3 non-executive directors
- all members are independent directors
- is chaired by a director who is not the chair of the Board.

The Audit and Risk Committees are currently comprised as follows:

DUECo and DIHL	Meetings attended ¹	DFL	Meetings attended ²
Duncan Sutherland (chair)	3	Jane Harvey (chair)	4
Emma Stein	3	Eric Goodwin	4
Doug Halley	3	Ron Finlay	4
Shirley In't Veld	3	Terri Benson ³	1
Jack Hamilton ³	1		

¹ DIHL and DUECo held 3 Audit and Risk Committee meetings during financial year ended 30 June 2014.

² DFL held 4 Audit and Risk Committee meetings during financial year ended 30 June 2014.

³ Jack Hamilton and Terri Benson joined the Committees on 23 May 2014 and therefore were only eligible to attend 1 Audit and Risk Committee meeting held during financial year ended 30 June 2014.

Note that Michael Lee resigned from DFL on 1 September 2014 and during FY14 he attended 3 of 3 Audit and Risk Committee meetings held.

The qualifications of the members of each audit and risk committee can be found on the DUET website and in the Annual Report.

Audit and risk committee charters

In establishing its audit and risk committee, each of DUECo, DIHL and DFL has established a charter under which the committee is to operate. The charter is materially the same for each company.

The responsibilities of the audit and risk committee under each charter in relation to financial reporting are to:

- Review and report to the board on the financial statements and related notes, and on the external auditor's audit of the financial statements and the report thereon
- Recommend to the board the appointment and removal of the external auditor, review the terms of its engagement including arrangements for the rotation of external audit partners, and the scope and quality of the audit
- Monitor auditor independence. The audit and risk committee meets with the external auditor at least twice a year and more frequently if required.

In addition, the DFL Audit and Risk Committee is responsible for monitoring compliance with the Trust's compliance plan.

Details of the risk monitoring duties of the audit and risk committees are set out in the Principle 7 commentary.

Recommendation 4.2 – CEO and CFO declaration

The DFL, DIHL and DUECo boards have prior to approving the financial statements, received assurance from the CEO and CFO that their declaration under s295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 - Auditor attendance at AGM and independence

The auditor attends DUET's annual general meetings and is available to answer security holder questions on the conduct of the audit, and the preparation and content of the auditor's report.

The audit and risk committees have adopted a policy which includes the following to ensure the independence of the external auditor:

- The external auditor must remain independent from DUET at all times and must comply with APES 110: Code of Ethics for Professional Accountants pertaining to financial independence, and business and employment relationships
- The external auditor must monitor its independence and report to the board every six months that it has remained independent
- Significant permissible non-audit assignments awarded to the external auditor must be approved in advance by the audit and risk committees (or their respective chairperson between meetings)
- All non-audit assignments are to be reported to the audit and risk committees every six months
- The DUET audit engagement partner and review partner must be rotated every five years unless extended in accordance with the Corporations Act.

The DUECo, DIHL and DFL boards and audit and risk committees are of the view that, at the present time, Ernst & Young is best placed to provide DUET's audit services. Ernst & Young is a top tier professional services firm and has provided audit services to DUET since its establishment and is familiar with its structure and businesses. Mr Kester Brown of Ernst & Young has been DUET Group's audit engagement partner since 2008. In light of the internalisation of the DUET Group's management arrangements in December 2012 and the DUET Group structure simplification in August 2013, the DUET Group board's each resolved to extend Mr Brown's appointment as audit partner for a further one year until completion of the audit for FY2014. The DUET Group boards considered that extending Mr Brown's audit term would not give rise to any conflict of interest and would aid in the handover of the audit to Mr Brown's replacement given that Mr Brown retains specialist knowledge of the DUET Group and its activities which should enhance the quality of the FY2013 and FY2014 audit.

The auditor is required to be independent from DUET. Ernst & Young meets this requirement.

What you can find on our website:

- The audit and risk committee charters for DUECo, DIHL and DFL
- The auditor independence policy.

Principle 5: Make timely and balanced disclosure

DUET follows the recommendation in Principle 5.

It is DUET's policy to provide timely, open and accurate information to all stakeholders, including investors, regulators and the wider investment community. Under the terms of the stapling deed, DUECo, DIHL and DFL are obliged to exchange relevant information and coordinate ASX releases and financial reporting.

DUET has an external communications policy which includes policies and procedures in relation to disclosure and compliance with the disclosure requirements in the ASX Listing Rules. The procedures include dealing with potentially price-sensitive information which includes referral to the CEO and company secretary/general counsel and sometimes the DUET boards for a determination as to disclosure required or any potential need to request a trading halt. The ASX liaison person is the company secretary.

What you can find on our website:

- External communications policy summary.

Principle 6: Respect the rights of shareholders

DUET follows all of the recommendations in Principle 6.

Recommendation 6.1 and 6.4 – DUET website and electronic communications

DUET has developed a security holder communications policy. The cornerstone of this policy is the delivery of timely and relevant information as described below.

Investors are provided with an annual report and financial statements either by accessing DUET's website or in hard copy, if specifically requested, which keep them informed of DUET's performance and operations. Investors are notified in writing when this material becomes available and are provided with details of how to access it. DUET is also proposing at its 2014 AGM resolutions to assist with the electronic payment of distributions and is encouraging investors to receive electronic communications rather than hard copy.

DUET's policy is to lodge market-sensitive information with the ASX and place it on the DUET website, including annual and interim result announcements and analyst presentations, as soon as practically possible. DUET's website (www.duet.net.au) contains recent announcements, presentations, past and current reports and distributions to security holders, security price data and answers to frequently asked questions. Investors may also register here to receive email copies of DUET's significant ASX announcements.

Recommendation 6.2 – Investor Relations

Domestic investor meetings are held regularly throughout Australia. Meetings are also held with international institutional investors on an annual basis. Where they contain new information, analyst and investor meeting presentations are released to the ASX and included on the DUET website.

In addition to the statutory reporting, DUET also produces a Management Information Report (MIR) which includes a detailed asset information pack which is updated semi-annually. The MIR aim to provide transparency regarding the operating performance of DUET Group's underlying businesses. The MIR is released to the ASX at the same time as the statutory accounts and consists of detailed business descriptions and corresponding financial outputs and key operating statistics.

Recommendation 6.3 – Securityholder meetings

Meetings of the four DUET entities are convened at least once a year, usually in November. DUECo, DIHL and DFL are required to hold an annual general meeting (AGM) each year.

In the case of the Trust, which is not required under the Corporations Act to hold an AGM, this is usually an informal annual meeting held at the same time as the DFL AGM unless there is formal Trust business to be considered. Presentations by the chairman and CEO at the AGM are webcast.

For formal meetings, an explanatory memorandum on the resolutions is included with the notice of meeting.

Unless specifically stated in the notice of meeting, all holders of fully paid securities are eligible to vote on all resolutions.

In the event that security holders cannot attend formal meetings, they can dial in to the meeting by phone or webcast and they are able to lodge a proxy in accordance with the Corporations Act which includes electronic voting via desktop tablet or mobile devices. Proxy forms can be mailed, lodged by facsimile or captured via the registry provider's online proxy lodgement portal.

What you can find on our website:

- External communications policy summary
- The latest annual report, full financial statements and AGM Notice
- Historical Management Information Reports (MIR)
- Contact details for DUET's registry provider.

Principle 7: Recognise and manage risk

DUET follows all of the Recommendations in Principle 7.

Recommendation 7.1 – Risk committee

As noted at Recommendation 4.1, each of DUECo, DIHL and DFL has appointed an audit and risk committee which complies with the Principles.

Recommendation 7.2 – Risk management framework

Each of DUECo, DIHL and DFL have formalised risk management policies. Compliance with these policies is monitored by their respective audit and risk committees.

Risks are managed through the risk management framework in place and include:

- Investment risk
- Regulatory and reporting risks
- Financial risks (such as liquidity, interest rate, currency, investment, credit)
- Employment risks
- Legal risk (such as contract enforceability, covenants, litigation)
- Compliance risk
- Operational risks (such as people, processes, infrastructure, technology, systems, outsourcing and geographic coverage)
- Environmental and social risks
- Occupational health and safety risks
- Project risks
- Business performance risks
- Reputation risks
- Strategic risks.

As part of its risk monitoring duties each audit and risk committee is required to:

- i. Enquire of management and the external auditor about significant risks or exposures and assess the steps management has taken to minimise such risk to DUET
- ii. Consider and review with the external auditor:
 - o The adequacy of DUET's internal controls including computerised information system controls and security
 - o Any related significant findings and recommendations of the external auditor on the matter of internal controls together with management's responses thereto
- iii. Monitor and review (at least annually) the effectiveness of DUET's operational risk management framework and compliance with key risk management policies
- iv. Review the scope of any internal audit to be conducted and the independence of internal audit team.

Each of DUET's businesses maintains its own risk management framework and supporting infrastructure to manage its own risk. DUET's ability to control or influence this framework and infrastructure differs based on DUET's level of ownership and control. It is DUET's policy to confirm that each business has an appropriate risk management framework in place to assist the business to effectively manage its risks. During the year management has reported to the audit and risk committees as to the effectiveness of DUET's management of its material risks.

DUET staff also oversee DUET's risk management framework by monitoring the Trust compliance plan and ensuring that there is an underlying compliance framework including detailed policies and procedures, staff training and supervision and appropriate compliance reporting.

Given that the DFL board is comprised of a majority of independent directors the Audit and Risk Committee also oversees the Trust's compliance plan and quarterly reporting.

Recommendation 7.3 – Internal audit

DUET does not have its own internal audit function. For the financial year ended 30 June 2014, DUET has engaged Deloitte to conduct periodic internal audits. A review of internal control processes was undertaken in November 2013.

Recommendation 7.4 - Environmental and social responsibility management

DUET believes that many economic, environmental and social benefits arise from responsible private sector development and the operation of high-quality, energy infrastructure. DUET is also aware that with these benefits lies the potential for risk. DUET's approach to the management of these economic, environmental and social risks is set out in its Board policies. These policies form part of DUET's overarching risk management framework in accordance with Principle 7 of DUET's corporate governance statement. It is DUET's policy to ensure that it and each of its businesses are in compliance with the relevant regulatory frameworks and meet or exceed the minimum standards required of it.

DUET's economic, environmental and social responsibilities are managed throughout the investment process as follows:

- **Business selection** – environmental and social responsibilities are reviewed as part of the acquisition due diligence process
- **Ongoing business management** – regular board reporting enables compliance with environmental requirements to be monitored, and environmental and social responsibility issues to be identified
- **Stakeholder reporting** – policies, social and environmental initiatives and compliance performance are reported internally and, where appropriate, externally.

Set out below are summaries of the key risks of which management and the boards are aware, which may materially impact the execution and achievement of the business strategies and prospects for the DUET Group in future financial years. These key risks should not be taken to be a complete or exhaustive list of the risks and uncertainties associated with the DUET Group. Many of the risks are outside the control of the Group.

1) *Economic Risks*

General economic conditions

The DUET Group's operating and financial performance is influenced by a variety of general economic and business conditions, including economic growth, inflation, interest rates, commodity prices, the ability to access funding, demand conditions, government fiscal and monetary policies and consumer and investment sentiment. Prolonged deterioration in these conditions could have a materially adverse impact on the Group's operating and financial performance.

To the extent possible, the Group manages these risks by incorporating a consideration of general economic conditions and future expectations into its regulatory submissions and financial plans and forecasts.

Regulatory risk

The DUET Group operates in regulated industries and carries out its business activities under various permits, licences, approvals and authorities from regulatory bodies. Regulatory bodies are responsible for setting revenue caps and/or tariffs, which directly impact a significant proportion of the DUET Group's revenue and therefore any adverse change to regulatory revenue caps or tariffs would impact the Group's profitability. In addition, if any permits, licences, approvals or authorities are revoked, or if the DUET Group breaches its permitted operating conditions, this would adversely impact the DUET Group's operations and profitability.

DUET Group's operating businesses must satisfy a prudency test for operating and capital expenditure and borrowing costs to be recovered through the regulatory revenue mechanism. There is a risk that despite expenditure being incurred, the recovery of this expenditure is disallowed by the relevant regulatory body.

The regulatory compliance and network performance risks of DUET Group are actively managed by drawing on DUET's highly experienced in-house regulatory staff and engineers. Regulatory risk is also mitigated by the use of industry experts when the Group prepares for regulatory reviews. Other measures employed include the regular monitoring of key performance indicators of network availability, equipment condition monitoring and the implementation of annual asset management plans.

Interest rate risk

There is a risk that changes in DUET Group's credit ratings, prevailing market interest rates and the strength of capital markets will influence the DUET Group's interest costs and its ability to refinance debt. The DUET Group has a structured and proactive approach to understanding and managing interest rate risk. DUET focuses on maintaining and monitoring base interest rate hedging commitments and diversified funding sources with reputable financial institutions both locally and globally.

Tax Risk

The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which the DUET Group operates, may impact the tax liabilities of the DUET Group and its operating businesses.

DUET Group seeks to manage this risk by monitoring changes in legislation, utilising external tax and legal advisors and employing highly experienced and qualified accounting and tax experts within each operating business, who regularly monitor the taxation regulations and practices relevant to the company's operations.

2) Environmental Risk

Climate

Changes in weather patterns as a result of climate change could have an adverse effect on the DUET Group's operating businesses by increasing both capital and operating costs. Volumes carried on the networks may vary due to weather conditions (as well as due to other factors such as changes in industrial use, seasonality, general economic conditions and use of competing sources of energy).

DUET Group undertakes significant capital expenditure on its assets to minimise the impact of climate-related factors.

DUET Group also closely monitors the progress of new energy technology and environmental policies, with the aim to determine how our underlying companies can play a role in, and capture value from, any material environment-related and technology changes.

3) Social Sustainability Risks

Workplace Health and Safety Risk

Failure to implement effective workplace health and safety (WHS) and public safety procedures at DUET Group's operating businesses give rise to WHS and/or public safety which in turn may create reputational or regulatory risk.

DUET Group manages these risks by developing appropriate WHS policies, training and reporting in accordance with the required legislation. Furthermore, the operating businesses employ WHS expertise to ensure dedicated resources are available to manage these risks.

Senior management regularly visit the operating businesses to further monitor WHS and public safety initiatives.

What you can find on our website:

- A description of DUET's risk management policies and framework
- A description of DUET's environmental and social responsibility management policy
- A description of DUET's work health and safety risk management policy
- The compliance plan for the Trust

Principle 8: Remunerate fairly and responsibly

DUET follows all of the recommendations of Principle 8

Recommendation 8.1 - Remuneration committee

Each of DUECo, DIHL and DFL have appointed a Remuneration Committee which follows the recommendation.

The members of the Remuneration Committees as at September 2014 are:

DUECo and DIHL	Meetings attended ¹	DFL	Meetings attended ²
Shirley In't Veld (chair)	6	Terri Benson (chair) ³	Nil
Doug Halley	6	Eric Goodwin	Nil
John Roberts	5	Jane Harvey	Nil
Emma Stein	6		

¹ DIHL and DUECo held 6 Remuneration Committee meetings during financial year ended 30 June 2014

² DFL did not hold a Remuneration Committee meeting during financial year ended 30 June 2014

³ Michael Lee resigned as a DFL director on 1 September 2014 and was the chair of the DFL Remuneration Committee for the year ended 30 June 2014.

The qualifications of the members of each Remuneration Committee can be found on the DUET website and in the Annual Report.

The Remuneration Committees have responsibility for providing advice and recommendations to the Board on independent director remuneration and review policies. Senior executive remuneration is considered by the DIHL Remuneration Committee (which is the employing entity in the DUET Group). The DIHL Remuneration Committee also provides advice and recommendations to the Board on:

- the company's overall remuneration policy
- incentive, retention and termination policies;
- superannuation arrangements
- recruitment, succession and development programs
- performance review procedures.

Recommendation 8.2 and 8.3 – Remuneration practice

Below is a brief description of remuneration arrangements in relation to DUET staff and also the fees paid to DUET external directors. Full details and a discussion of DUET remuneration arrangements, alignment of interest staff incentives are set out in the annual Remuneration Report available on the DUET website.

Staff remuneration

DUET staff, including the CEO and CFO, are employed by DIHL and made available to the other DUET entities under an internal Resources Agreement.

DUET's remuneration system has been designed to balance risk and return that aligns the interests of the management team and DUET securityholders. All staff are entitled to short term incentives of up to specified percentages of their base remuneration package, subject to the achievement of certain qualitative and quantitative targets. The CEO and CFO are also eligible to participate in a long term incentive scheme with performance based hurdles based on distribution growth and total securityholder return relative to the ASX 200 Industrial accumulation index over three years to align their interests with securityholders. The long term incentives, and for FY2015, the retained portion of any short term incentives, are notionally invested in DUET securities so that the amount varies as if they were actually invested in the securities although any payment remains subject to satisfaction of the performance hurdles over the three year period.

The DUET Securities (Windows) Trading Policy does not allow executives to enter into margin loans or derivatives which limit the economic risk of participating in the long term incentive scheme.

Further, DUET has a clawback policy which gives the Board the ability to clawback unvested short term incentives in the event of a material financial misstatement or gross misconduct.

This overall approach to remuneration is considered appropriate as the incentive schemes reward performance, and performance-based remuneration is aligned with securityholders' interests.

DUET holds its investments in its businesses through equity interests in special purpose project vehicles. Most of these vehicles have their own internal management paid for at the business level. Where DUET staff are required to serve as directors on the boards of these vehicles, or are seconded to them from time to time, any fees paid in respect of these arrangements are paid to DUET.

Director remuneration

The director fees paid are set out in the Remuneration Report and include a set base fee and fees for serving on, or chairing, committees.

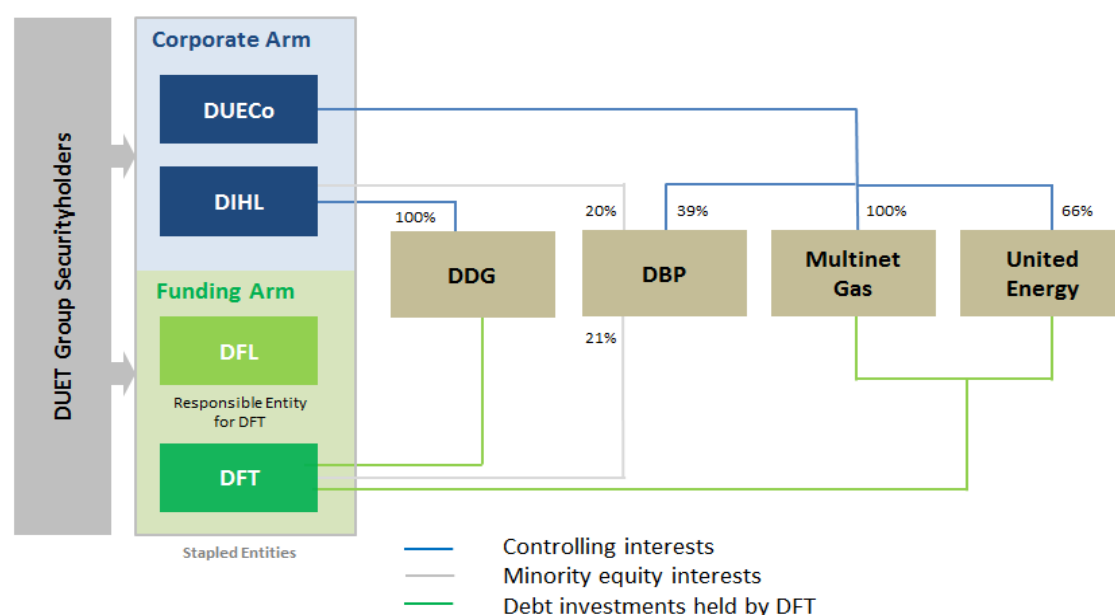
None of the DUECo, DIHL or DFL directors are entitled to DUET options or securities or to retirement benefits as part of their remuneration package.

What you can find on our website:

- The DUET annual Remuneration Report.
- A summary of the DUECo, DIHL and DFL Remuneration Committee Charters.

Management arrangements summary DUET's structure

The DUET Group's corporate structure as at 30 June 2014 is shown below.



Note: Structure is in summary form with interposed entities not shown

The responsible entity for the Trust is DFL.

The Trust is an ASIC-registered managed investment scheme and its combined trustee/manager, DFL, is known as the responsible entity. DFL's management role is defined by the Trust constitution, the Corporations Act and the general law.

DUECo, DIHL and DFL do not have a manager and are responsible for their own respective operations. DIHL is the employer of all staff that provide services for the DUET Group under a Resources Agreement. This Resources Agreement requires DIHL to provide resources (including staff, software, premises and equipment) to enable DFL to perform its necessary functions as responsible entity for the Trust and to comply with ASIC Regulatory Guide 166 *Licensing: Financial Requirements*.

The table below is a high level summary of the DUET Group management arrangements addressing the disclosure recommended in Guidance Note 26 to the ASX Listing Rules and ASIC Regulatory Guide 231 *Infrastructure entities: Improving disclosure for retail investors* (RG231).

It should be noted that entities responsible for the management arrangements are internal to the DUET Group and owned by DUET securityholders and not any third party. We recommend that you also read the Trust constitution and the full RG231 disclosure available on the DUET website (www.duet.net.au).

Key Term	Description	Source documents
Investment mandate	<p>The principal investment policy is to seek to invest in and manage energy utility assets in Australia and New Zealand, although DUET may invest in other OECD countries.</p> <p>The principal investment policy may be varied from time to time upon giving reasonable notice to security holders.</p>	<p>DUET 2004 PDS – section 1.3</p> <p>DUET Annual Reports</p>
Key relationship and services	<p>DIHL</p> <p>Under the terms of the Resources Agreement, DIHL is to provide staff, premises, computer systems and other equipment, software, know-how and other tangible and intangible property used by DIHL staff to assist DFL to perform its necessary functions in its personal capacity and as responsible entity of the Trust, including managerial, legal, compliance, accounting and tax administration, financial, public relations and communications.</p>	Resources Agreement

Key Term	Description	Source documents
	<p><i>Responsible entity</i> DFL has all the powers of a natural person including contracting, borrowing and investment and carries out all management functions for the Trust subject to outsourcing registry and custodial services as described above.</p>	Trust constitution clause 12 Corporations Act s601FB, s601FC
	<p><i>Financial Advisers or Underwriter</i> DUET has no preferred contractual arrangements with any financial advisers at the parent/fund level. At the asset company level, AMP Capital may be appointed as financial adviser for debt and debt advisory work. There are different expiry dates for these agreements depending on the nature of the services provided, ranging from 31 December 2013 to 31 December 2015.</p>	
Term	<p><i>DUET Group</i> No fixed term for the Trust or the companies. The term will continue until the responsible entity is removed or retires and is not replaced, or security holders vote to wind up the stapled entities as provided for in the Trust constitution or by law.</p>	Trust constitution clause 21
	<p><i>Resources Agreement</i> No fixed term and therefore no extension or renewal provisions apply.</p>	Resources Agreement
Termination	<p><i>Responsible Entity</i> The Trust may terminate the appointment of the responsible entity, without cause, by security holder vote.</p> <p>The resolution must be passed by at least 50% of votes cast at meeting by security holders entitled to vote. DFL and its associates may vote their DUET securities (if any) on the resolution.</p> <p>ASIC or a court may replace the responsible entity where there are solvency issues or members are likely to suffer a loss because the responsible entity has breached the Corporations Act.</p> <p>Pursuant to the Corporations Act the responsible entity of the trust can retire if it first convenes a unitholders meeting to explain its reason for retirement and to enable unitholders to vote on a resolution to choose a new responsible entity.</p>	Trust constitution clause 13 Corporations Act s601FL, s601FM, s601FN, s601FP, s253E, s915B
	<p>Management fees accrued to the date of termination are payable. Note that any fees are internal to the DUET Group and do not represent an additional expense to investors. There are no other termination fees payable.</p>	Trust constitution clause 20
	<p><i>Resources Agreement</i> The Resources Agreement automatically terminates upon a winding up of the Trust DFL ceases to be the responsible entity of the Trust. In addition, the Resources Agreement will terminate in certain other situations such as DIHL committing a material breach of the agreement or if DUECo or DFL fail to pay DIHL for providing resources in accordance with the agreement.</p>	Resources Agreement

Key Term	Description	Source documents
Fees	<p>The entity responsible for the management of the Trust is DFL. All fees are internal to the DUET Group as DFL is owned by DUET securityholders. Therefore management fees and amounts paid to DIHL under the Resources Agreement do not represent a net additional cost to investors.</p> <p><i>Management fee</i> The management fee is payable to DFL quarterly in an amount to reimburse the responsible entity for its personal costs that are not otherwise payable as an expense of the trust up to a maximum of \$500,000 per annum. This is an internal fee between DUET entities to fund certain costs to be borne by the responsible entity.</p> <p><i>Resources Agreement</i> DIHL is entitled to fees for providing services and resources to DFL in its personal capacity and its capacity as responsible entity for the Trust.</p> <p>DIHL will allocate costs to DUECo, DFL and the Trust based on DIHL's assessment of each party's use of resources.</p> <p>DIHL, DUECo and DFL will agree additional reasonable fees for additional activities requested to be performed by DIHL.</p>	<p>Trust constitution clause 20</p> <p>Resources Agreement</p>
Expenses	The responsible entity is entitled to be reimbursed for expenses incurred in relation to the proper performance of its duties.	<p>Trust constitution clause 20</p> <p>Corporations Act s601GA(2)</p>
Exclusivity	No exclusivity applies.	Resources Agreement
Discretions	<p><i>DUET Group</i> The board of the responsible entity of the Trust makes all significant investment/divestment and operational decisions for the Trust and in its personal capacity.</p> <p>The board of DIHL and DUECo make all significant and operational decisions for DIHL and DUECo respectively. The Resources Agreement does not grant DIHL powers and discretions in relation to proposing investment/divestment decisions, but DIHL may be involved in providing additional services to DUET Group to facilitate significant acquisitions/divestments.</p> <p>The performance of management generally is oversighted by the independent directors on the responsible entity and company boards.</p>	<p>Trust constitution clause 12</p> <p>DIHL constitution clause 11</p> <p>Resources Agreement</p>
Change of control	<p><i>DUET Group</i> DUET co-invests from time to time with third parties. Co-investment arrangements include pre-emption and tag-along or drag-along rights in favour of each other. However there are no rights held by co-investors which are triggered on change of control of DUET.</p> <p><i>Resources Agreement</i> No change of control provisions apply in respect of the Resources Agreement. The Resources Agreement automatically terminates if DFL ceases to be the responsible entity for the Trust.</p>	Resources Agreement

Key Term	Description	Source documents
Variation to management arrangements	Any variations adverse to security holders rights or in respect of changes to fee structures to increase fees would involve trust constitution amendments and therefore effectively require approval by 75% by value of votes cast at meeting by security holders entitled to vote.	Trust constitution clause 23 Corporations Act s601GC
Key relationship – significant infrastructure asset under development	There are currently no significant infrastructure assets under development.	

What you can find on our website:

- DUECo constitution
- DFT constitution
- DIHL constitution
- DFL constitution
- Full RG231 disclosure