ASX & SGX-ST Release

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TO: ASX Limited
Singapore Exchange Securities Trading Limited

Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3, attached is the AusNet Services 2017 Corporate Governance Statement and Appendix 4G.

Claire Hamilton
Company Secretary

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Corporate Governance Statement

This corporate governance statement of AusNet Services' Ltd (**AusNet Services**) outlines the key aspects of AusNet Services' corporate governance framework for the financial year ended 31 March 2017 (**FY2017**) by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition (**ASX Principles**).

Unless otherwise indicated, information referred to in the Corporate Governance Statement and further information relating to AusNet Services' corporate governance practices and key documents can be found on the Corporate Governance section of AusNet Services website at address https://www.ausnetservices.com.au under section 'About Us' – 'Corporate Governance' (**AusNet Services Website**). (ASX Recommendation 6.1)

The information in this statement is current as at 15 May 2017 and has been approved by the Board.

At various times during FY2017 recommendations 2.1, 2.4, 2.5 and 8.1 were not followed. Reasons for deviation from these ASX Principles are provided in this statement.

Principle 1: Lay Solid Foundations For Management And Oversight

Board responsibilities and delegation to management

The Board has adopted a formal Board Charter that sets out the responsibilities reserved to the Board and the functions delegated to management. The Board Charter is located on the AusNet Services Website.

The Board has delegated to the Managing Director the responsibility for the day-to-day management and operation of AusNet Services. The parameters of the Board's delegation are set out in the Board approved Delegation of Authority Manual. The Board retains ultimate responsibility for strategy, management and control of AusNet Services. (ASX Recommendation 1.1)

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

The Board reviews the Board Charter regularly, with a view to doing so at least every two years or more frequently if warranted. The Charter was most recently reviewed in March 2017.

Appointment of Independent Non-executive Directors

In relation to the appointment of independent Non-executive Directors, the Nomination Committee reviews and makes recommendations to the Board regarding the appointment of new Directors, including establishing formal and transparent procedures for the identification of suitable candidates. An executive search firm is usually engaged to assist with the identification and selection of suitable Board candidates. The suitability of candidates nominated for appointment to the Board is assessed having regard to the Board's existing and desired skills, diversity and experience.

Candidates for appointment to the Board as an independent Non-executive Director are sought on the basis of their ability to complement the Board's current composition, as well as their independence. In support of their candidature, independent Non-executive Directors are required to provide details of their other commitments and an indication of the time involved. The Nomination Committee reviews these details prior to the independent Non-executive Director's appointment, and regularly thereafter, to ensure that the Director has sufficient time to discharge their duties to the Board and the various committees on which they serve. (ASX Recommendation 1.2)

As part of the appointment process the Board undertakes appropriate background and probity checks, including reference checks and employment history. (ASX Recommendation 1.2)

Appointment of Nominated Directors

AusNet Services' two major shareholders, Singapore Power International Pte Ltd and State Grid International Development Company Limited, have each nominated two Directors to the Board, reflecting their significant holding of securities in AusNet Services. In accordance with its Charter, the Nomination Committee considers and makes recommendation on the election of these candidates to the Board. Appropriate background and probity checks are undertaken before the Board makes any recommendation to shareholders concerning the election of nominated directors. (ASX Recommendation 1.2)

Biographical information (including qualifications and experience) in relation to all Directors subject to election or re-election is set out in the explanatory notes to the notice of annual general meeting and is included in the AusNet Services 2017 Annual Report (**Annual Report**). (ASX Recommendation 1.2)

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

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

Company Secretary

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

> advising on governance matters;

> administration of the Board, including development of agendas, distribution of papers, minute taking and organisation of meetings, and

> lodgement of documents, reports and release to ASIC, the ASX and SGX-ST.

Ms Claire Hamilton was appointed as Company Secretary on 16 September 2016. Details of Ms Hamilton's qualifications and experience are set out in the Annual Report. (ASX Recommendation 1.4)

Diversity Policy

AusNet Services recognises its talented and diverse workforce is essential for its long term sustainability.

AusNet Services has an established Diversity Policy which outlines its commitment to diversity and its objectives to increase diversity in the workplace. The Diversity Policy may be found on the AusNet Services Website. (ASX Recommendation 1.5)

In addition, the Board Charter requires that the Board comprise directors with a broad range of skills and expertise from a diverse range of backgrounds. Many of these characteristics are reflected in the Board's composition, through the qualifications, skills, experience, gender and backgrounds of Directors.

AusNet Services has developed measurable objectives to support gender diversity. The progress towards achieving the FY2017 objectives is set out below. (ASX Recommendation 1.5)

FY2017 Board-Approved Gender Diversity Objectives	Progress Achieved FY2017
(a) Executive and divisional leadership teams to continue to operate as talent and diversity councils to lead improved talent and diversity outcomes across the business.	> Leadership reviews continued throughout 2016, with several areas of the business establishing Women in Leadership forums, involving both male and female staff, to progress gender diversity within their teams.
(b) Embed organisation-wide and divisionally specific gender diversity improvement initiatives as part of the business planning processes.	> An enhanced focus on gender diversity in recruitment practices resulted in 58% of all roles having a female candidate shortlisted, with a female being hired for over half of those roles, an increase on prior year performance. > 20 women participated in the FY2017 Women's Career Development Program. This was the 5th year the program has been conducted.
(c) AusNet Services continues to build an inclusive leadership mindset that supports all employees to contribute and achieve their potential.	> A refreshed Equal Employment Opportunity (EEO) training program was delivered to all employees during FY2017 to reconfirm the commitment to creating a safe and inclusive workplace.
(d) Embed diversity initiatives within the company's broader talent management processes to support the development of all talent, and with an aim to achieve a year-on-year increase in the representation of females in operational and frontline leadership, engineering and entry level trade and technical occupations.	> Women comprise 30% of AusNet Services' talent pool, a 5% increase on FY2016. > An Executive Leadership Team Female Career Sponsorship program continued into FY2017 to mentor seven senior female talent pool participants. > Five female students participated in the AusNet Services' FY2017 Engineering Vocation Program.
(e) Review and strengthen the Company's Sponsorships, Donations and Partnership programs to promote trade, technical and power engineering professions to young women.	> AusNet Services' continued to support the RMIT electrical engineering bursary program for third year students, offering bursaries to two female students. > Under AusNet Services partnership with Deakin University two additional Power Engineering scholarships were offered during FY2017, bringing the total to five scholarship holders. Scholarships will involve payment of an annual stipend, vacation employment and mentoring. A female PhD student was also recruited to conduct research on AusNet Services' Non-Destructive pole testing program. > A Women in Geospatial Engineering Scholarship Program was established to offer two scholarships to first year students, recognising the significant underrepresentation of women in this field.
(f) Incorporate the Company's diversity philosophy into the selection process for major delivery partners.	> Work continued to embed the diversity philosophy as part of the review and selection processes for major delivery partners.

FY2017 Board-Approved Gender Diversity Objectives	Progress Achieved FY2017
(g) Continue to review remuneration practices for gender pay differentials.	> A gender pay review was incorporated into the 2016 annual performance and remuneration review process, with a small number of areas of concern identified and addressed. > All women on maternity leave received a minimum of an 'at target' increase in their annual fixed pay review.
(h) Continue to support employees seeking flexible work arrangements to balance work and family responsibilities.	> 7% of the workforce has flexible work arrangements in place, ranging from flexible hours of work, part-time work, purchased leave, compressed working weeks and study leave. Female employees account for 54% of those on flexible arrangements, with 20% of female employees employed in part-time arrangements.

As at the date of this Report, three of AusNet Services' nine Non-executive Directors are women, representing 33% (although female representation will decrease to 25% upon the retirement of Ms Tina McMeckan from the Board at the conclusion of the 2017 AGM). Two Members, or 25% of AusNet Services' Executive Leadership Team – which comprises 8 members including the Managing Director – are women. As at 31 March 2017, women employed by AusNet Services as permanent employees (whether full-time or part-time) comprised 21% of its total workforce. (ASX Recommendation 1.5) AusNet Services' measurable gender diversity objectives for 2018 are included below:

FY2018 Diversity & Inclusion Objectives
1. Increase the proportion of female Board Directors to 30%.
2. Increase the proportion of women in AusNet Services' workforce to 30% by 2022, including 40% of senior management and 25% of all engineering roles.
3. Develop and publish an AusNet Services Diversity and Inclusion Statement and bring this to life in interacting with our employees, delivery partners, customers and communities.
4. Engage with key community groups operating within the ageing and disability sectors to better understand and reflect the specific needs of ageing and disabled members of our communities in accessing our services.
5. Work with our mature age employees to find ways to retain and transfer their valued skills and knowledge and support their later-in-life career and retirement changes.

Performance Evaluation

The Board of AusNet Services acknowledges the need to have regular Board evaluations in line with the ASX Principles. This principle is reflected in the Board Charter, the Nomination Committee Charter and in the Director's appointment letter. Facilitated by the Nomination Committee and managed by the Chairman, the Board undertakes periodic reviews of its performance. The evaluation process generally includes an extensive questionnaire completed by all Directors and submitted on an anonymous basis. The questionnaire covers topics such as Board composition, Board effectiveness and efficiency, Board committees, the Board's interactions with the Managing Director and senior management, Board skills and standards of conduct.

An annual performance evaluation was conducted during FY2017 by Directors completing a formal questionnaire. The results of the questionnaire were reviewed and considered by all Directors with the overall conclusion that the Board and its Committees were functioning well. The Directors also agreed to a number of initiatives to improve and enhance the functioning and performance of the Board. It is anticipated that an evaluation of the Board's performance will be facilitated by an independent external advisor during FY2018. (ASX Recommendation 1.6)

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

Performance of Executives

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

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

A formal evaluation of the Managing Director and senior executives was undertaken during FY2017 in accordance with this process. Further details of the outcome of executive performance evaluations are set out in the Remuneration Report which is included in the Annual Report. (ASX Recommendation 1.7)

Principle 2: Structure The Board To Add Value

Board Composition

The Board determines its size and composition, subject to the terms of AusNet Services' constitution. AusNet Services' constitution provides for a minimum of four and a maximum of 14 Directors. The Board currently comprises nine Non-executive Directors, including the Chairman, and one Executive Director, being the Managing Director. Details of the Directors, including their qualifications, experience and special responsibilities are specified in the Directors' Report which is included in the Annual Report.

During FY2017, the Board and Nomination Committee oversaw changes to the composition of the Board and membership of the Board Committees. Mr Peter Mason, who was appointed in March 2016 as an independent Non-executive Director, assumed the role of independent Chairman in May 2016. In addition, the Board completed its search for a suitably qualified financial professional by appointing Dr Nora Scheinkestel in November 2016. Dr Scheinkestel, an independent Non-executive Director, filled the vacancy created by the retirement of Mr Tony Iannello in FY2016.

Skills and Experience of Directors

During 2016 the Board endorsed the "Focus 2021" strategy, which is a five year strategy (FY2017–FY2021) to build a portfolio of high performing and sustainable Regulated and Commercial Energy Services businesses to deliver four key objectives:

1. lead network transformation and embrace change;
2. grow commercial services;
3. drive efficiency and effectiveness; and
4. generate trust and respect with customers and partners.

The below skills matrix provides an indication of the mix of skills, expertise and experience represented by the current Board of AusNet Services which are considered to be relevant to deliver Focus 2021.

The management team of AusNet Services possess a wide range of skills and industry experience that can be accessed and utilised by the Board. To the extent that any skills or expertise are not represented by the Board or management, the Board Charter allows the Board to obtain advice from external advisors.

Further information about the skills, experience, expertise and period in office of each Director who served during FY2017, is set out in the Directors' Report which is included in the Annual Report. Details in relation to AusNet Services' current Directors may also be found on the AusNet Services' Website under section 'About Us' – 'Board of Directors'. (ASX Recommendation 2.2)

Board Skills Matrix

Focus 2021 Corporate Strategy – Key Objectives

Skills	LEAD NETWORK TRANSFORMATION IN OUR REGULATED BUSINESS	GROW COMMERCIAL SERVICES	DRIVE EFFICIENCY AND EFFECTIVENESS	GENERATE TRUST AND RESPECT WITH CUSTOMERS AND PARTNERS	OTHER
	> Legal and Regulatory	> Mergers and Acquisitions	> Project Management	> Stakeholder Engagement	> Executive Leadership in Listed Company
	> Industry Experience	> Information Technology and Innovation	> Risk Management	> Government and Government Relations	> Accounting and Finance
	> Information Technology and Innovation	> Guiding and Shaping Strategy	> Business Management		> Banking and Debt Markets
	> Government and Government Relations				> Governance
	> Engineering & Industrial Safety				> China and Asia
					> Human Resources and Remuneration

* These skills have been assessed by Directors and confirmed by the Nomination Committee.

Independence of Directors

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

Having regard to these factors, the Board considers a Director to be independent if he or she is not a member of management and is free of any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgement. The Board assesses the materiality of any given relationship that may affect independence on a case-by-case basis. Each Non-executive Director is required to regularly disclose to the Board all information that may be relevant to this assessment, including their interests in contracts and other directorships and offices held.

The Directors considered by the Board to be independent are Sally Farrier, Tina McMeckan, Peter Mason, Robert Milliner and Nora Scheinkestel. During FY2017, none of the independent Directors had any interest or relationship that could, or could reasonably be perceived to, materially interfere with the independent exercise of their judgment. (ASX Recommendation 2.3)

The Board notes that the two largest shareholders have two nominees each on the Board, reflecting their significant holding of securities in AusNet Services.

Ho Tian Yee was appointed by Singapore Power Limited (**SP**), the parent company of AusNet Services' largest shareholder, and is therefore not considered to be independent. Additionally, Tan Chee Meng was appointed on the nomination of SP and is also not considered independent. Sun Jianxing and Ralph Craven were appointed on the nomination of State Grid International Development Co Ltd (**SGID**). SGID is AusNet Services' second largest shareholder. Mr Sun and Dr Craven are therefore not considered independent.

AusNet Services has noted ASX Recommendation 2.4 that a majority of the board be independent directors and that it has not followed this recommendation during FY2017 primarily due to the composition of the Board being reflective of the significant shareholdings of SP and SGID. During FY2017, between 1 April 2016 and 17 November 2016, the Board comprised four independent Directors and five non-independent Directors (including the Managing Director). From the 18 November 2016 to the date of this statement the Board comprised a balance of independent and non-independent Directors (including the Managing Director). In addition, the Board considers that the skills and expertise of the individual Directors on the Board are appropriate. (ASX Recommendation 2.4)

Role of the Chairman and the Managing Director

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

The Chairman is responsible for leading the Board. His role includes ensuring the efficient organisation and conduct of the Board's functions, facilitating effective contribution by all Directors and promoting constructive relations between the Board and management. The Chairman's role also includes ensuring that the Board is provided with all information relevant to AusNet Services' operations and strategies to assist in the discharge of the Board's duties, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board. The Chairman also plays a key role in representing the Board to external stakeholders (including shareholders) and communicating the Board's position.

AusNet Services has noted ASX Recommendation 2.5 that the chairperson be an independent director. For the period 1 April 2016 to 11 May 2016 AusNet Services did not follow this recommendation due to the former Chairman, Ng Kee Choe, not considered to be independent by virtue of his previous directorship of SP and the fact that he was a nominee of SP. Since 11 May 2016, AusNet Services has adhered to ASX Recommendation 2.5 with Mr Peter Mason, an independent Non-executive Director, assuming the role of Chairman. (ASX Recommendation 2.5)

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

Induction and Continuing Education

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

Board training sessions are held periodically throughout each year. In addition, all Directors and key executives have access to, and are encouraged to participate in, continuing education to update and enhance their skills and knowledge. (ASX Recommendation 2.6)

Standing Board Committees

To assist in the discharge of its duties, the Board has established the following standing committees ("Committees"):

- Nomination Committee (ASX Recommendation 2.1);
- Remuneration Committee (ASX Recommendation 8.1); and
- Audit and Risk Management Committee (ASX Recommendation 4.1).

The Board Issuing Committee was formally dissolved in September 2016 as the Board determined it was more efficient for the Issuing Committee's responsibilities to be managed by the Board as necessary.

Each Committee has a formal charter which sets out its role and responsibilities, composition, structure and membership requirements. The current Committee charters may be found on the AusNet Services Website. (ASX Recommendations 2.1, 4.1 and 8.1)

A list of the members of each Board Committee as at the date of this statement is set out below. Additional details in relation to the members of each Committee, as well as the number of times each Committee met during FY2017 and each member's attendance at those meetings, are set out in the Directors' Report which is included in the Annual Report. (ASX Recommendations 2.1, 4.1 and 8.1)

Board Committee Membership as at 15 May 2017

Nomination Committee

- Peter Mason (Chairman)
- Ralph Craven
- Sally Farrier
- Ho Tian Yee
- Tina McMeckan
- Robert Milliner
- Nora Scheinkestel
- Sun Jianxing
- Tan Chee Meng

Remuneration Committee

- Sally Farrier (Chairman)
- Ho Tian Yee
- Tina McMeckan
- Robert Milliner
- Sun Jianxing

Audit and Risk Management Committee

- Tina McMeckan (Chairman)
- Ralph Craven
- Robert Milliner
- Nora Scheinkestel
- Tan Chee Meng

Special Purpose Board Committees

Special purpose Board committees are established by the Board where deemed necessary to deal with specific projects or where a potential conflict of interest exists.

The Bushfire Litigation Committee, which was established to oversee matters relevant to litigation in which AusNet Services was involved arising from the February 2009 bushfires, was dissolved in September 2016.

Nomination Committee

The Nomination Committee advises the Board on matters relating to the appointment and performance of Directors and of the Board as whole. The Committee also reviews Board and Committee membership and performance and succession planning.

Members of management may attend meetings of the Nomination Committee. However, individuals may not be present during, or participate in, deliberations where the matter does or could affect their position, remuneration or other related matters.

AusNet Services has noted Recommendation 2.1 that a nomination committee should consist of a majority of independent directors and that the committee is chaired by an independent director.

During FY2017, for the period 1 April 2016 to 17 November 2016, the Nomination Committee did not follow this recommendation having regard to AusNet Services' ownership structure, which resulted in at least half of the Board comprising of non-independent directors. Further, as a result of the number of non-independent directors on the Board, it may not be possible to follow Recommendation 2.1 at all times. However, from 18 November 2016, AusNet Services followed this recommendation with the Committee comprising of five independent directors and four non-independent directors. In addition, Mr Peter Mason, who is an independent director, is Chairman of the Committee. (ASX Recommendation 2.1)

Additional information about the Audit and Risk Management Committee and the Remuneration Committee is provided under Principles 4 and 8, respectively.

Principle 3: Act Ethically And Responsibly

Code of Business Conduct

AusNet Services is committed to acting ethically and responsibly in all of its business dealings.

AusNet Services has developed a Code of Business Conduct to guide all Directors, officers, employees, contractors and consultants as to the practices necessary to maintain confidence in AusNet Services' integrity, the standards for dealing with obligations to external stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Business Conduct may be found on the AusNet Services Website. (ASX Recommendation 3.1)

Whistleblower Policy

In keeping with the spirit of the Code of Business Conduct, AusNet Services has developed a Whistleblower Policy to encourage anyone engaged in the provision of services to AusNet Services who has witnessed, is aware of, or suspects any wrongful act to report it without fear of reprisal. The Whistleblower Policy sets out the way in which AusNet Services will respond to reports of wrongful acts.

The Whistleblower Policy may be found on the AusNet Services Website.

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

Conflicts of Interest

The Board has developed Conflicts of Interest Guidelines to guide it on the management of actual and perceived conflicts between the interests of a Director or Directors and the interests of AusNet Services, to ensure compliance with the Corporations Act.

Dealing in Securities

AusNet Services has adopted Guidelines for Dealing in Securities. Through a trading windows approach, the guidelines establish a best practice procedure relating to the buying and selling of AusNet Services' securities for Directors, executives and senior management, employees, certain contractors, and their associates ("Relevant Persons").

The Guidelines for Dealing in Securities may be found on the AusNet Services Website.

Pursuant to the Guidelines, Relevant Persons must not buy, sell or otherwise deal in AusNet Services' securities if they possess non-public, price-sensitive information. Relevant Persons may generally only deal in AusNet Services' securities in the period of six weeks from the second trading day following:

> the announcement of half-yearly results;

> the announcement of annual results; and

> the holding of the Annual General Meeting.

Principle 4: Safeguard Integrity In Corporate Reporting

The Board has ultimate responsibility for ensuring the integrity of AusNet Services' financial reporting. To assist in discharging its responsibility, the Board has put in place a structure of review and authorisation designed to ensure the truthful and factual presentation of AusNet Services' financial position.

Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in discharging its responsibilities relating to the financial reporting and audit processes, systems of internal controls, the process for monitoring compliance with applicable laws, regulations and codes of conduct (including in relation to related party transactions) and risk management systems.

Specifically, the role of the Audit and Risk Management Committee includes:

> reviewing the appropriateness of accounting principles adopted by AusNet Services in the composition and presentation of financial reports and approving all significant accounting policy changes;

> reviewing the adequacy and effectiveness of AusNet Services' risk management, internal compliance and control systems and the process and evidence adopted by the Managing Director and the Chief Financial Officer to satisfy themselves of these factors;

> reviewing related party transactions;

> reviewing the legal and regulatory matters that are brought to its attention by the internal and external auditor; and

> overseeing the conduct and scope of the external and internal audit functions, including making recommendations to the Board on the appointment, performance, remuneration and replacement of the external auditor and Head of Internal Audit.

The Audit and Risk Management Committee has full access to, and the co-operation of, management and full discretion to invite any Director, members of management, or the internal or external auditors (with or without management present) to attend its meetings. The Audit and Risk Management Committee also has the authority to conduct or authorise special investigations, and engage independent advisers as required to assist in those investigations.

The members are all Non-executive Directors and the Chairman (who is not the Chairman of the Board) is independent. The Committee comprised a majority of independent Directors throughout FY2017. (ASX Recommendation 4.1)

Declaration by the Managing Director and the Chief Financial Officer

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

Prior to review and confirmation by the Board, the Audit and Risk Management Committee reviews the due diligence process that is undertaken to support the declarations provided by the Managing Director and Chief Financial Officer in relation to the Full Year and Half Year results. The Board has received the Managing Director's and the Chief Financial Officer's declaration in respect of the financial reports for the financial year ended 31 March 2017.

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

External Auditor Independence

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

The Audit and Risk Management Committee has approved an Auditor Independence Policy which is intended to maintain the independence of AusNet Services' external auditor by regulating the provision of non-audit services by the external auditor.

The Auditor Independence Policy may be found on the AusNet Services Website (as an attachment to the Audit and Risk Management Committee Charter).

The Auditor Independence Policy requires that the provision of a permissible non-audit service by the external auditor be pre-approved by the Chief Financial Officer or the Managing Director (up to a limit of $100,000 in aggregate at any time) or the Chairman of the Audit and Risk Management Committee. The Chief Financial Officer provides a quarterly report to the Audit and Risk Management Committee which describes any non-audit services provided by the external auditor since the last report.

The Audit and Risk Management Committee reviews the performance of the external auditor annually and is responsible for making recommendations to the Board in relation to the appointment or re-appointment of the external auditor. The Audit and Risk Management Committee determines the term of the external auditor's appointment and reviews the scope and results of the audit and its cost-effectiveness.

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

The present external auditor for AusNet Services is KPMG.

The external auditor attends AusNet Services' AGM and is available to answer questions from shareholders relevant to the audit. (ASX Recommendation 4.3)

Further details of the services provided by the external auditor and the fees paid or payable for those services are set out in the Directors' Report.

Principle 5: Make Timely And Balanced Disclosure

Continuous Disclosure

AusNet Services has developed a Continuous Disclosure Policy that sets out its practice in relation to continuous disclosure. The Continuous Disclosure Policy may be found on the AusNet Services Website. (ASX Recommendation 5.1)

The Company Secretary is primarily responsible for the management of the Continuous Disclosure Policy and for all communications with the ASX and SGX-ST in relation to continuous disclosure issues. However, no price sensitive announcements are made to the ASX and SGX-ST without the prior approval of the Board or the Managing Director (or his delegate).

All material disclosed to the ASX and SGX-ST is published on the AusNet Services Website.

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

Principle 6: Respect The Rights Of Shareholders

Communications

An AusNet Services' Investor Relations function facilitates an annual program of engagement with the investment community, including corporate, institutional and private investors, proxy advisors, the Australian Shareholders Association, sell-side and buy-side analysts and the financial media. The engagement is intensive at each half year and full year results reporting period, and at the Annual General Meeting, with results presentations and general meeting outcomes being released to market.

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

Investor sentiment and feedback is an important element in shaping the strategic direction of AusNet Services and ensuring that our disclosure practices remain consistent with regulatory requirements and our internal policies, and that they continue to meet the needs of the investment community. (ASX Recommendation 6.2)

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

AusNet Services encourages shareholders to attend AusNet Services' Annual General Meeting to meet the Directors and management and to ask questions. AusNet Services' 2017 Annual General Meeting will be web-cast in order to improve access for shareholders unable to be physically present at the meeting. The full text of notices of meeting and explanatory material will be published on the AusNet Services Website. (ASX Recommendation 6.3)

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

AusNet Services' securities registrar, Computershare, facilitates the provision of communications between AusNet Services and its shareholders electronically. Shareholders can elect to receive AusNet Services documents including notices of meetings, annual reports, dividend advices and other correspondence by electronic means. Shareholders can also lodge their proxies electronically. AusNet Services has a dedicated email address to facilitate electronic communication with investors. (ASX Recommendation 6.4)

In addition, AusNet Services has a Customer Consultative Committee which meets quarterly with key customer representatives and advocacy groups to gain customer insights which inform decision making and execution of strategy.

Principle 7: Recognise And Manage Risk

Risk Management

AusNet Services is committed to understanding and effectively managing risk to provide greater certainty and confidence for its shareholders, employees, customers, suppliers and the communities in which it operates. Finding the right balance between risk and reward enhances profitability and business performance, and minimises future exposures.

The Board reviews and guides AusNet Services' overall systems of risk management and internal controls, sets the risk appetite, and ensures that shareholders are informed in a timely manner of material changes to AusNet Services' risk profile.

The Audit and Risk Management Committee assists the Board in discharging these responsibilities. The Committee has oversight of the adequacy and effectiveness of AusNet Services' risk management framework, including risk identification and management processes and the review of AusNet Services' assessment of material business risks (financial and non-financial).

The Audit and Risk Management Committee's Charter may be found on the AusNet Services Website. (ASX Recommendation 7.1)

The Managing Director is accountable to the Audit and Risk Management Committee and the Board for the implementation of risk management processes in line with good corporate governance.

AusNet Services uses its risk management capabilities to maximise the value from its assets, projects and other business opportunities and to assist in encouraging excellence, innovation and optimisation. Risks faced by AusNet Services are managed on

an enterprise-wide basis and are identified, analysed, evaluated and prioritised in a consistent manner utilising common systems and methodologies. Management and employees are responsible for embedding sound risk management practices across all AusNet Services' business activities.

During the year, the Board formally adopted a Risk Appetite Statement following a successful pilot use of the statement within the business in the previous year. The Risk Appetite Statement is reviewed annually to ensure its alignment with the Corporate Strategy and Business Plans.

Management has reported to the Board on the effectiveness of AusNet Services' management of its material business risks including changes to the risk profile and the initiatives taken to continue the embedding of an effective risk management culture across the organisation. The risk management framework is reviewed annually to assess its effectiveness and maturity and to inform the risk management strategy. As a result of the review conducted during the year, enhancements will be made to the Risk Management Information System, and there will be a focus on improving project risk management and further embedding the assessment of emerging risks into the strategic planning process. (ASX Recommendation 7.2)

AusNet Services' Risk Management Policy may be found on the AusNet Services Website.

Internal Audit

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

The internal audit function reports to the Audit and Risk Management Committee and may at all times report directly to the Chairman of the Audit and Risk Management Committee, and if further required, the Chairman of the Board without the need to involve management. The Internal Audit function has full access to AusNet Services' personnel, records and properties.

The role of Internal Audit within AusNet Services is to provide independent, objective assurance designed to add value and improve AusNet Services' operations. This is achieved through the delivery of a risk based internal audit program, approved annually by the Audit and Risk Management Committee, that includes key strategic, financial, operational and project risks where assurance is determined to be a priority for that period. Internal Audit reports the results of audits to the Audit and Risk Management Committee and monitors the completion of corrective actions.

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

Economic, environmental and social sustainability risks

For AusNet Services, sustainability means operating a successful business which focuses on the safe and reliable delivery of energy to customers and communities, whilst creating lasting value for all stakeholders. AusNet Services has a robust risk management process that actively assesses both internal and external drivers of risk, including economic, environmental and social sustainability risks, and considers potential impacts to sustainable value generation and the broader environment and community as part of its strategic planning. Material risks have been identified through this process.

Material financial and economic risks include risks arising from industry and regulatory developments, funding and financial markets.

AusNet Services, as a provider of essential services, is committed to the safe, efficient and reliable supply of electricity and gas, recognising that any sustained interruptions to supply can have a significant impact on customers and communities. Environmental and social sustainability risks include disruption to energy networks which can be caused by environmental factors such as natural disasters (bushfires, floods and severe weather events) as well as asset failure or sabotage. Risk management for these risks includes a significant focus and investment in bushfire mitigation programs such as asset inspection, replacement and maintenance and vegetation management. Emergency response and business continuity (including IT disaster recovery) are also important capabilities for the management of these risks and these are regularly tested and continually improved.

Our missionZero safety program has continued throughout the year aiming to achieve the highest standards in health and safety to minimise the risk of workplace injuries. To keep our employees, contractors and communities safe, we are building a culture of continuous improvement in this area.

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

Principle 8: Remunerate Fairly And Responsibly

Remuneration Policies

The Board acknowledges the need to adopt remuneration policies that attract and retain talented and motivated Directors and employees so as to encourage enhanced performance and to pursue long-term growth and success for AusNet Services. The Board also recognises the importance of there being a clear relationship between performance and remuneration.

AusNet Services' remuneration policies in relation to its Directors, Managing Director and key executives are set out in the Directors' Report, which is included in the Annual Report. Details of the nature and amount of remuneration paid to each Director and key senior executives (and their link to corporate performance) are also set out in the Directors' Report. (ASX Recommendations 8.2)

The AusNet Services' Guidelines for Dealing in Securities prohibits participants in equity based incentive plans from entering into hedging or other similar types of transactions or arrangements that operate to limit the economic risk of unvested entitlements to AusNet Services' securities. In addition, the rules governing the AusNet Services Incentive Plans place restrictions on participants from entering into any arrangement for the purpose of hedging their economic exposure to a right that has not been granted to them. (ASX Recommendation 8.3)

Role of Remuneration Committee

The Remuneration Committee reviews and advises the Board on the general remuneration framework for Directors and senior executives, and the performance of senior executives and other key senior AusNet Services employees. The Remuneration Committee also reviews AusNet Services' obligations on matters such as superannuation and other employment benefits and entitlements.

Members of management may attend meetings of the Remuneration Committee by invitation, however individuals may not be present during, or participate in, deliberations where the matter does or could affect their position, remuneration or other related matters.

From time to time, external specialist remuneration advice is sought in respect of general remuneration arrangements and, in particular, advice on remuneration market movements is sought on an annual basis.

AusNet Services has noted Recommendation 8.1 that a remuneration committee should consist of a majority of independent directors and be chaired by an independent director. During FY2017, for the period 1 April 2016 to 30 December 2016, the composition of the Remuneration Committee did not follow the recommendation as the Committee comprised of an equal number of independent and non-independent members. However, during this period the Committee was chaired by an independent director. Since, 31 December 2016 AusNet Services followed Recommendation 8.1. (ASX Recommendation 8.1)

As a result of the number of non-independent directors on the Board, which is primarily due to AusNet Services' ownership structure, it may not be possible to follow Recommendation 8.1 at all times. However, the Board has determined that the Chair of the Committee must always be an independent director. This requirement is enshrined in the Remuneration Committee Charter. In addition, AusNet Services complies with Listing Rule 12.8 which requires all members to be Non-executive Directors.

Executive Remuneration

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

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

> base salary;

> short-term performance-based cash bonuses and, for the Managing Director, deferred rights pursuant to the short-term incentive plan; and

> long-term performance-based incentives pursuant to a long-term incentive plan.

Details of the remuneration paid to the Managing Director and key management personnel are set out in the Remuneration Report which is included in the 2017 Annual Report.

Non-executive Director Remuneration

The remuneration policy for Non-executive Directors and the amount of remuneration paid to Non-executive Directors is discussed in detail in the Remuneration Report which is included in the 2017 Annual Report. (ASX Recommendations 8.2)

The remuneration of Non-executive Directors is not linked to AusNet Services' performance in order to maintain their independence and impartiality.

In setting fee levels, the Remuneration Committee takes into account:

> AusNet Services' existing remuneration policies;

> independent professional advice;

> fees paid by comparable companies;

> the general time commitment required from Non-executive Directors and the risks associated with discharging the duties attaching to the role of Director; and

> the level of remuneration necessary to attract and retain Non-executive Directors of a suitable calibre.

AusNet Services

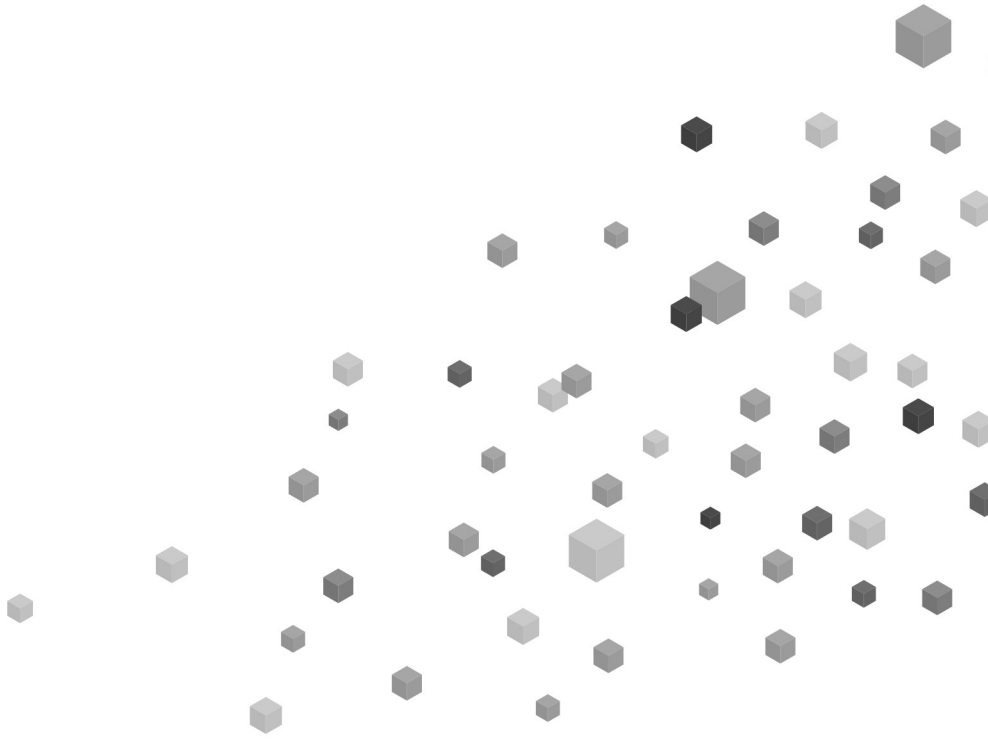
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Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

AusNet Services Ltd

ABN / ARBN

ABN 45 603 317 559

Financial year ended:

31 March 2017

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☑ This URL on our website: www.ausnetservices.com.au/About-Us/Corporate-Governance

The Corporate Governance Statement is accurate and up to date as at 15 May 2017 and has been approved by the board.

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

Date: 16 June 2017

Name of Director or Secretary authorising lodgement: Claire Hamilton
Company Secretary

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[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. You can, if you wish, delete the option which is not applicable.

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

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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement … 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): ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a 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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	… the fact that we have a diversity policy that complies with paragraph (a): ☑ in our Corporate Governance Statement … and a copy of our diversity policy or a summary of it: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance … and 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: ☑ in our Corporate Governance Statement … and the information referred to in paragraphs (c)(1) or (2): ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☑ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☑ in our Corporate Governance Statement … and the information referred to in paragraph (b): ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (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 (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.	… the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance … and the information referred to in paragraphs (4) and (5): ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☑ an explanation why that is so in our Corporate Governance Statement
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.	… our board skills matrix: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☑ in our Corporate Governance Statement … and, where applicable, the information referred to in paragraph (b): ☑ in our Corporate Governance Statement … and the length of service of each director: ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☑ an explanation why that is so in our Corporate Governance Statement
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.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☑ an explanation why that is so in our Corporate Governance Statement
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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	… the fact that we have an audit committee that complies with paragraphs (1) and (2): ☑ in our Corporate Governance Statement … and a copy of the charter of the committee: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance … and the information referred to in paragraphs (4) and (5): ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☐ an explanation why that is so in our Corporate Governance Statement
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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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.	… our continuous disclosure compliance policy or a summary of it: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement
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.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (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 (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.	… the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☑ in our Corporate Governance Statement … and a copy of the charter of the committee: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance … and the information referred to in paragraphs (4) and (5): ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☐ an explanation why that is so in our Corporate Governance Statement
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 board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☑ in our Corporate Governance Statement … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☑ in our Corporate Governance Statement	☐ 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.	… how our internal audit function is structured and what role it performs: ☑ in our Corporate Governance Statement	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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: ☑ in our Corporate Governance Statement	☐ 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (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 (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.	… the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☑ at www.ausnetservices.com.au/About-Us/Corporate-Governance … and the information referred to in paragraphs (4) and (5): ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☑ an explanation why that is so in our Corporate Governance Statement
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.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☑ at www.ausnetservices.com.au/Investor-Centre/Company-reports	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☑ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable