

## AUSNET SERVICES LTD 2020 ANNUAL GENERAL MEETING

Dear Shareholder,

I am pleased to invite you to attend the 2020 Annual General Meeting of AusNet Services Ltd, which will be held at **2:00pm (AEST) on Thursday, 16 July 2020 (Meeting)**. In accordance with the COVID-19 guidelines provided by Commonwealth and State governments, the Federal Treasurer has issued a Determination that permits companies to hold fully virtual annual general meetings. To protect the health and safety of our Shareholders and staff and to allow for Shareholders who wish to attend the Meeting, we will hold a fully virtual Meeting, which means there will not be a physical venue for you to attend.

In addition, the Determination issued by the Federal Treasurer permits a Notice of Meeting, and other information regarding a meeting to be provided online where it can be viewed and downloaded. Accordingly, this year the AusNet Services Notice of Meeting will not be mailed to Shareholders. Instead, it is available for you to view and download on the AusNet Services website at: [www.ausnetservices.com.au/annual-meetings](http://www.ausnetservices.com.au/annual-meetings).

Your participation in the Meeting is important to us. The Meeting will be webcast live via the Lumi online platform. You will be able to listen to the proceedings, view the presentations, ask questions of the Board and vote in real-time. You may attend the Meeting online using your computer, your mobile phone or device.

If you use your computer to attend the Meeting, you should use the Lumi platform (by entering this link in your browser: <https://web.lumiagm.com/332534070>). If you use your mobile phone or device to attend the Meeting, you should use the Lumi AGM app (which you can download from the Apple App or Google Play stores by searching Lumi AGM). Further information on how to participate in the Meeting is provided in the Notice of Meeting, and in the Virtual AGM Online Guide, which you can access online on the AusNet Services website on the link provided above.

If you will not be able to attend the Meeting online at the scheduled time, you can participate in the Meeting by appointing a proxy to attend and vote live at the Meeting. If you intend to appoint a proxy, please lodge a directed proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au) by **2:00pm (AEST) on Tuesday 14 July 2020**. Alternatively, you can lodge your signed and directed proxy by mail or fax in accordance with instructions contained in the Notice of Meeting. Proxy forms can be downloaded from [www.ausnetservices.com.au/annual-meetings](http://www.ausnetservices.com.au/annual-meetings). If you are planning to attend the Meeting online, you are still encouraged to cast proxy votes and lodge questions prior to the meeting at [www.investorvote.com.au](http://www.investorvote.com.au). To use this facility, you will need your six-digit Control Number and Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which are located on the front of your shareholder letter.

The Chairman's and the Managing Director's speeches will be uploaded to the AusNet Services website at [www.ausnetservices.com.au/annual-meetings](http://www.ausnetservices.com.au/annual-meetings) and the ASX platform at <https://www.asx.com.au/index.htm> prior to the Meeting. For a detailed overview of AusNet Services' performance and operations for the year ended 31 March 2020, I encourage you to read the 2020 Annual Report prior to the Meeting. The 2020 Annual Report can be found on the AusNet Services website at [www.ausnetservices.com.au/company-reports](http://www.ausnetservices.com.au/company-reports).

Yours sincerely,



**Peter Mason AM**  
Chairman



# Notice of Annual General Meeting 2020

THURSDAY, 16 JULY 2020

The Annual General Meeting of AusNet Services Ltd will be held virtually on Thursday, 16 July 2020 at 2.00pm (AEST).

AusNet Services Ltd | ABN 45 603 317 559 | ("AusNet Services")

## HOLDING A VIRTUAL ANNUAL GENERAL MEETING

The health and wellbeing of our Shareholders and employees is of paramount importance. On 5 May 2020, the Federal Treasurer announced a Determination to permit companies to hold their annual general meetings using one or more technologies to enable Shareholders to participate legally in these meetings online without having to be physically present (**Determination**). Given the evolving coronavirus (**COVID-19**) situation and public health concerns, AusNet Services will be holding its 2020 Annual General Meeting (**Meeting**) as a virtual meeting. There will not be a physical venue for Shareholders to attend.

To give Shareholders a reasonable opportunity to participate, Shareholders may attend the Meeting virtually using either the Lumi online platform or the Lumi AGM app.

Lumi enables Shareholders to:

- > see the Meeting presentation materials and listen to the Meeting live;
- > vote online during the Meeting; and
- > ask questions and make comments online during the Meeting.

Voting on all resolutions will be conducted by a poll.

Shareholders may also cast their votes at the Meeting by appointing a proxy (preferably the Chairman of the Meeting) online at [www.investorvote.com.au](http://www.investorvote.com.au) by **2.00pm (AEST)** on **Tuesday 14 July 2020**.

In the event of a technological failure that prevents Shareholders from having a reasonable opportunity to participate in the Meeting, AusNet Services will provide an update on its website and the ASX platform to communicate the details of the postponed or adjourned Meeting to Shareholders.

## FUTURE ALTERNATIVE ARRANGEMENTS

If it becomes necessary to make further alternative arrangements for holding the Meeting, we will give Shareholders as much notice as practicable. Further information will be made available on our website:



[www.ausnetservices.com.au/  
annual-meetings](http://www.ausnetservices.com.au/annual-meetings)

# Business

## 1 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements and the reports of the Directors and the Auditor for the year ended 31 March 2020.

## 2 ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following as separate ordinary resolutions:

- (a) "That Dr Ralph Craven, who retires in accordance with clause 10.1(d) of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected."
- (b) "That Ms Sally Farrier, who retires in accordance with clause 10.1(d) of the Company's Constitution, and, being eligible, offers herself for re-election, be re-elected."
- (c) "That Dr Nora Scheinkestel, who retires in accordance with clause 10.1(d) of the Company's Constitution, and, being eligible, offers herself for re-election, be re-elected."

## 3 REMUNERATION REPORT

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the Remuneration Report of AusNet Services Ltd for the year ended 31 March 2020 be adopted."

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

## 4 RENEWAL OF PROPORTIONAL TAKEOVER PROVISION

To consider and, if thought fit, to pass the following as a special resolution:

"That the proportional takeover provisions in clause 8 of the Constitution of AusNet Services be renewed for a period of three years commencing on the day this resolution is passed."

## 5 GRANT OF EQUITY AWARDS TO THE MANAGING DIRECTOR

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, a grant of equity awards may be made to the Managing Director of AusNet Services, Mr Tony Narvaez, under the Company's long-term and deferred short-term incentive plans on the terms and conditions described in the Explanatory Notes accompanying this Notice of Meeting."

# Business (continued)

## 6 ISSUE OF SHARES – 10% PRO RATA

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of clause 3.10 of the Constitution of AusNet Services, AusNet Services and the Directors of AusNet Services be given authority to issue new Shares, and to make or grant an offer, agreement or option that would or might require Shares to be issued to a maximum of 10% of issued share capital, where the offer to issue Shares is made pursuant to a pro rata issue (as that term is defined in the ASX Listing Rules) and any underwriting thereof (or any other arrangement to make up the shortfall under a pro rata issue), and otherwise in the circumstances, for the period and on the terms and conditions described in the Explanatory Notes to this Notice.”

## 7 ISSUE OF SHARES PURSUANT TO DIVIDEND REINVESTMENT PLAN

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of clause 3.10 of the Constitution of AusNet Services and all other purposes, AusNet Services and the Directors of AusNet Services be given

authority to issue new Shares pursuant to a Dividend Reinvestment Plan and any underwriting thereof, for the period and on the terms and conditions described in the Explanatory Notes to this Notice.”

## 8 ISSUE OF SHARES PURSUANT TO AN EMPLOYEE INCENTIVE SCHEME

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of clause 3.10 of the Constitution of AusNet Services and all other purposes, AusNet Services and the Directors of AusNet Services be given authority to issue new Shares pursuant to an Employee Incentive Scheme, for the period and on the terms and conditions described in the Explanatory Notes to this Notice.”

By Order of the Board of AusNet Services Ltd.



**Paul Lynch**  
Company Secretary

12 June 2020

# Information for members

The accompanying Explanatory Notes form part of this Notice and should be read in conjunction with it. Unless the context requires otherwise, terms defined in the Glossary to the Explanatory Notes have the same meanings when used elsewhere in this Notice.

**All resolutions will be voted on by a poll.**

## REQUIRED MAJORITY

The resolutions described in items 2, 3, 5, 6, 7, and 8 of the "Business" section of this Notice are all ordinary resolutions and each will be passed if at least 50% of votes cast by Shareholders entitled to vote on the resolution are cast in favour of the resolution. Item 4 is a special resolution and will be passed if at least 75% of votes cast by Shareholders entitled to vote on the resolution are cast in favour of the resolution.

## VOTING AND PROXIES

### ELIGIBILITY TO VOTE

For the purposes of determining entitlement to vote at the Meeting, Shares will be taken to be held by those registered as Shareholders at **7.00pm (AEST) on Tuesday 14 July 2020**. Transactions registered after that time will be disregarded in determining Shareholders' entitlement to vote at the Meeting.

## VOTING EXCLUSIONS

### ITEM 3 – REMUNERATION REPORT

AusNet Services will disregard any votes cast on item 3:

> by or on behalf of a member of the key management personnel (KMP) whose remuneration is disclosed in the Remuneration Report for the year ended 31 March 2020, or their closely related parties in any capacity; or

> as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 3;

> in accordance with a direction on the proxy form; or

> by the Chairman of the Meeting as proxy for a person who is entitled to vote on item 3, and the Chairman has received express authorisation in the proxy form to exercise the proxy as the Chairman decides.

### ITEM 5 – GRANT OF EQUITY AWARDS TO THE MANAGING DIRECTOR

AusNet Services will disregard any votes cast on item 5:

> in favour of item 5 by or on behalf of the Managing Director, or any of his associates, in any capacity; and

# Information for members (continued)

> as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast on item 5:

- > as proxy or attorney for a person who is entitled to vote on item 5 in accordance with a direction given to the proxy or attorney to vote on item 5 in that way;
- > by the Chairman of the Meeting as proxy for a person who is entitled to vote on item 5, and the Chairman has received express authorisation in the proxy form to exercise the proxy as the Chairman decides; or
- > by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

'Closely related party' has the meaning ascribed in the Corporations Act and 'associate' has the meaning ascribed in the ASX Listing Rules. Both terms include a spouse and certain other

close family members, as well as any related companies controlled by KMP.

## APPOINTING A PROXY

In the interests of public health and safety as a result of COVID-19 and the Determination, the Meeting will be held entirely virtually and there will be no physical venue for Shareholders to attend. Shareholders may participate in the Meeting online via the Lumi platform (if using a computer to participate), or via the Lumi AGM app (if using a mobile phone or device to participate). Even though the Meeting is being held entirely online, you may still participate by lodging a proxy vote prior to the Meeting.

You can appoint a proxy to attend and vote on your behalf. Instructions on how to appoint a proxy are on the online voting website, [www.investorvote.com.au](http://www.investorvote.com.au). **Due to COVID-19, we strongly recommend you appoint the Chairman of the Meeting as your proxy.**

A proxy need not be a Shareholder and may be an individual or a body corporate.

The Shareholder, or the Shareholder's attorney, who has not received any notice of revocation of the authority, must sign the proxy form.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy

# Information for members (continued)

is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, on a poll each proxy may only exercise votes in respect of those Shares or voting rights the proxy represents.

## LODGING YOUR PROXY FORM

Proxies should be lodged online at:



[www.investorvote.com.au](http://www.investorvote.com.au)

by **2.00pm (AEST) on Tuesday, 14 July 2020.**

To use this facility, you will need your six-digit Control Number and your Securityholder Reference Number (SRN) or Holder Identification Number (HIN). This information is located on the front of your Shareholder letter, which is your Personal Identification Number (PIN) to verify the transmission. You will be deemed to have signed your proxy form if you lodge it in accordance with the instructions on the website.

Alternatively, you can lodge your completed and signed proxy form (together with any power of attorney or other authority under which the appointment was signed, or a certified copy of the authority, letter of representation, or power of attorney) by **2.00pm (AEST) on Tuesday, 14 July 2020.**

### a) by mail to:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne, VIC 3001  
Australia

### b) by fax to:

Computershare Investor Services Pty Limited  
1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)

Proxy forms can be downloaded from:



[www.ausnetservices.com.au/  
annual-meetings](http://www.ausnetservices.com.au/annual-meetings)

## UNDIRECTED AND DIRECTED PROXIES

You are encouraged to appoint the Chairman of the Meeting as your proxy and to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the proxy form.

If you appoint:

- > a member of the Company's KMP (which includes each of the Directors), or one of their closely related parties as your proxy, they will not be able to cast your votes on item 3 or 5;
- > Mr Tony Narvaez or any of his associates as your proxy, they will not be able to vote your proxy in favour of item 5,



# Information for members (continued)

unless you direct them how to vote, or you appoint the Chairman of the Meeting as your proxy.

If you appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting becomes your proxy by default, and you direct the Chairman how to vote on an item of business, the Chairman must vote in accordance with your direction.

If you do not mark a voting box for item 3 or 5, then by completing and returning the proxy form you will be expressly authorising the Chairman of the Meeting to vote in respect of the relevant item of business as he sees fit, even though the items are connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

## CORPORATE REPRESENTATIVES

Corporate Shareholders and corporate proxies who wish to appoint a representative to attend and vote at the Meeting on their behalf, must provide that person with a properly executed letter or other document confirming that they are authorised to act as their representative in accordance with section 250D of the Corporations Act. A form of authorisation may be obtained from Computershare. A copy of the authorisation must be lodged with the Company before the Meeting.

## *PARTICIPATING AT THE MEETING*

You will be able to participate in the Meeting online using your computer, your mobile phone or device. If you are using your computer, you can participate in the Meeting by entering this link in your browser:



<https://web.lumiagm.com/332534070>

**OR**, by following the link that will be made available on AusNet Services' website at:



[www.ausnetservices.com.au/  
annual-meetings](http://www.ausnetservices.com.au/annual-meetings)

You can also participate in the Meeting using your mobile phone or device by downloading the Lumi AGM app from the Apple App or Google Play Stores by searching for Lumi AGM.

Further information about how to log in to the Lumi platform or the Lumi AGM app, to register for the Meeting, and to participate in the Meeting as a Shareholder is available in the Virtual AGM Online Guide, which you can access online on the AusNet Services website at:



[www.ausnetservices.com.au/  
annual-meetings](http://www.ausnetservices.com.au/annual-meetings)

# Information for members (continued)

## ASKING QUESTIONS – BEFORE AND AT THE MEETING

You can submit a question or comment prior to the Meeting at [www.investorvote.com.au](http://www.investorvote.com.au), or by completing the shareholder question form and returning it with your proxy form. The shareholder question form can be downloaded from: [www.ausnetservices.com.au/annual-meetings](http://www.ausnetservices.com.au/annual-meetings). Written questions (including questions to the Auditor) should be submitted no later than the fifth business day before the Meeting, being Thursday 9 July 2020. Written questions to the Auditor should relate to the content of the Auditor's Report and the conduct of the Audit.

You may also submit your questions and comments online during the Meeting via the Lumi platform (if you are participating on your computer), or the Lumi AGM app (if you are participating on your mobile phone or device).

The Chairman of the Meeting will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions and comments raised. Please note that individual responses will not be sent to Shareholders.

The Auditor will also be in attendance at the Meeting.

## VOTING AT THE MEETING

In accordance with the Determination, voting on all items of business will be conducted on a poll. You may vote at the Meeting in one of two ways, by:

- > live and online during the Meeting using the Lumi platform (if you are participating on your computer), or the Lumi AGM app (if you are participating on your mobile phone or device); or
- > in advance of the Meeting, by appointing a proxy (preferably the Chairman of the Meeting) online at [www.investorvote.com.au](http://www.investorvote.com.au) by 2.00pm (AEST) on Tuesday 14 July 2020.

The Chairman of the Meeting will open the poll at the beginning of the Meeting and the poll will remain open until the close of the Meeting.

# Explanatory Notes

These Explanatory Notes form part of the Notice of Meeting and have been prepared to assist Shareholders to understand the items of business to be considered at the Meeting. These Explanatory Notes are important and should be read carefully by all Shareholders.

## ITEM 1: FINANCIAL STATEMENTS AND REPORTS

While Shareholders are not required to vote on the financial statements and reports, Shareholders will be given a reasonable opportunity at the Meeting to raise questions on the financial statements and reports. Shareholders will also be able to ask the Auditor questions relevant to the audit of the financial statements and reports. The financial statements and reports for the year ended 31 March 2020 are available on the Investor Centre page on the AusNet Services website.

## ITEM 2: ELECTION OF DIRECTORS

Three Directors are standing for re-election at the Meeting.

Clause 10.1(d) of the Company's Constitution requires that a Director may not hold office beyond the third annual general meeting following the Director's last election or re-election without nominating for re-election. In accordance with this clause, Dr Ralph Craven, Ms Sally Farrier and Dr Nora Scheinkestel retire,

and being eligible, offer themselves for re-election by Shareholders at this Meeting.

Details of the experience and qualifications of the Directors seeking re-election are below:



### ITEM 2(A): DR RALPH CRAVEN

The Board considers Dr Craven to be a Non-executive Director. Dr Craven was nominated to the Board by State Grid International Australia Development Company, one of AusNet Services' substantial Shareholders. He joined the Board in January 2014 and is a member of the Audit and Risk Management Committee and the Nomination Committee. Dr Craven holds the following qualifications:

Bachelor of Engineering (Electrical – First Class Honours), University of Queensland; Doctor of Philosophy, University of New South Wales; Postgraduate Diploma in Management, Deakin University; Postgraduate Diploma in Information Processing, University of Queensland.

# Explanatory Notes (continued)

Dr Craven has broad experience across the energy sector including electricity, gas and mining. He has worked in electricity transmission and generation businesses at a senior executive level and has been responsible for the delivery of major infrastructure projects and oversight of large-scale business operations at a national level. Dr Craven has been a full-time Non-executive Director since 2007, and served on many boards in the public and private sectors.

Dr Craven is currently a non-executive director and Chairman of Genex Power Ltd, a listed renewables energy company focused on the integration of renewables, including pumped storage into the national energy market. He is also a non-executive director of Senex Energy Ltd and Multicom Resources Ltd.

Dr Craven is the former Chairman of Stanwell Corporation Limited, the largest electricity generation company in Queensland. His other prior directorships include non-executive director and Chairman of Invion Limited, Ergon Energy Corporation Limited, Tully Sugar Limited and non-executive Deputy Chairman of Arrow Energy Limited. He has also been a non-executive director of Windlab Limited and Mitchell Services Limited.

At the end of 2015, Dr Craven completed a six-year term as Director of the International

Electrotechnical Commission (IEC) and was Chair of the IEC National Committee of Australia. Dr Craven was CEO of Transpower New Zealand Limited, and also held senior executive positions in Shell Coal Pty Ltd and NRG Asia Pacific Limited.

### ***Recommendation:***

Having reviewed Dr Craven's performance, the Board considers that he continues to make a valuable contribution to the Board. The Board (with Dr Craven abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Dr Ralph Craven.



### **ITEM 2(B): MS SALLY FARRIER**

The Board considers Ms Farrier to be an independent Non-executive Director. She joined the Board in January 2014, and is Chairman of the Remuneration Committee and a member for the Audit and Risk Management Committee and the Nomination Committee. Ms Farrier holds the following qualifications:

# Explanatory Notes (continued)

Bachelor of Chemical and Process Engineering (First Class Honours), University of Canterbury, New Zealand; Master of Business Administration, Victoria University of Wellington, New Zealand; Postgraduate Diploma in Finance and Investment Analysis, Securities Institute of Australia.

Ms Farrier is a professional non-executive director with over 15 years' experience serving as a director on private, public and government boards. For much of her career, Ms Farrier's worked in and alongside the water, electricity, gas, transport and infrastructure sectors, and as part of government, regulatory institutions and commercial businesses. She has specialist skills in public policy, regulation and strategy and in significant reform and restructuring programs.

Further to her non-executive director career, she continues to be engaged in an expert capacity including in relation to energy and water management at Australian federal and state levels. She is a member of the Melbourne Energy Institute Advisory Board and recently chaired the first independent review of the Water for the Environment Special Account in relation to the Murray Darling Basin. Ms Farrier has served as a National Water Commissioner, and a member of numerous planning and regulatory bodies.

She has a keen interest in innovation and technology and been involved in start-up and seed funding since 2002. This includes as a member of the founding team of Patientrack, and through Scale Investors.

Ms Farrier's prior directorships include Kidney Health Australia, Meridian Energy Limited, Manidis Roberts Pty Limited, Hydro Tasmania and Western Power.

### ***Recommendation:***

Having reviewed Ms Farrier's performance, the Board considers that she continues to make a valuable contribution to the Board. The Board (with Ms Farrier abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Ms Sally Farrier.



### **ITEM 2(C): DR NORA SCHEINKESTEL**

The Board considers Dr Scheinkestel to be an independent Non-executive Director. She joined the Board in November 2016, and

# Explanatory Notes (continued)

is Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee. Dr Scheinkestel holds the following qualifications:

Bachelor of Laws (Honours) Melbourne University;  
Doctor of Philosophy, Melbourne University.

Dr Scheinkestel is an experienced company director with more than 25 years' experience as a non-executive chairman and director of companies in a wide range of industry sectors including the public, government and private sectors. Dr Scheinkestel has a long track record in the infrastructure sector. She has served as both chairman and director of several gas, water and electricity companies, as well as others in highly regulated sectors such as telecommunications and in industries facing significant disruption from technology and market changes.

Dr Scheinkestel is a former banking executive and has significant experience in international project financing. She has extensive financial and risk management expertise, including having chaired the audit and risk committees of a number of listed companies. She is currently Chairman of Atlas Arteria Limited and a non-executive director of Atlas Arteria International Limited, Brambles Limited and Telstra Corporation Limited. She is also a Trustee of the Victorian Arts Centre Trust.

## **Recommendation:**

Having reviewed Dr Scheinkestel's performance, the Board considers that she continues to make a valuable contribution to the Board. The Board (with Dr Scheinkestel abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Dr Nora Scheinkestel.

## **ITEM 3: REMUNERATION REPORT**

The Remuneration Report for the year ended 31 March 2020 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act and its regulations. The report details the remuneration arrangements for KMP including non-executive directors, the managing director and key senior executives. The report is set out in the 2020 Annual Report, which is also available on AusNet Services' website at:



[www.ausnetservices.com.au/  
company-reports](http://www.ausnetservices.com.au/company-reports)

The Board is committed to ensuring that the remuneration structure for senior executives is closely aligned to the strategy and business objectives of the Company, with a focus on driving a performance culture and delivering results that are acceptable to Shareholders. It is the Board's objective to deliver a Remuneration Report that explains the way in which financial

# Explanatory Notes (continued)

rewards for senior executives have driven the Company's short-term and long-term performance.

Shareholders will be given a reasonable opportunity at the Meeting to raise questions and make comments on the Remuneration Report.

The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors of AusNet Services. However, the Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of AusNet Services.

A voting exclusion statement applies to this resolution, as set out in this Notice of Meeting.

## ***Recommendation:***

The Board unanimously recommends that Shareholders vote in favour of Item 3.

## **ITEM 4: RENEWAL OF PROPORTIONAL TAKEOVER PROVISION**

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register shares acquired under a proportional takeover bid, unless a resolution is passed by shareholders to approve the bid.

The proportional takeover provision was first included in AusNet Services' Constitution when

the Constitution was adopted on the registration of the Company on 11 December 2014. AusNet Services Limited was formed prior to the corporate restructure in May 2015 and became the single-head company of the AusNet Services Group following approval of the restructure by Shareholders.

As provided in clause 8.4 of the Company's Constitution, the existing proportional takeover provision will cease to have effect three years after the date on which it was last renewed, being 20 July 2020. If renewed, the proposed proportional takeover provision will be in exactly the same terms as the existing provisions in clause 8 of the Company's Constitution.

The Board considers it is in the best interests of Shareholders to renew the existing proportional takeover provision for the maximum period permitted by law, being a further three years.

## **PROPORTIONAL TAKEOVER BID**

A proportional takeover bid is a type of takeover bid that is made to all shareholders for the acquisition of their shares; however, the offer made to each shareholder is only for a specified proportion of their shares (i.e. less than 100%) and that proportion is the same for all shareholders.

# Explanatory Notes (continued)

This means that the bidder may take control of the company without paying an adequate amount for gaining control. To deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all the shareholders.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle, and it may ensure that any partial offer is appropriately priced.

## **EFFECT OF A PROPORTIONAL TAKEOVER BID PROVISION**

If clause 8 is renewed, and a proportional takeover bid is made, the Board must convene a general meeting of the Shareholders entitled to vote, and put a resolution to approve the proportional takeover bid. To be effective, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 business days before the last day of the bid period.

The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, no transfers of Shares will be registered as a result of the takeover bid. The Directors will

breach the *Corporations Act 2001* (Cth) if they fail to ensure the approving resolution is voted on. In any event, if the resolution to approve the bid is not voted on at least 14 business days before the last day of the bid period, the bid is taken to have been approved.

If this resolution is approved, the proportional takeover provisions will only apply until 16 July 2023, unless renewed by Shareholders.

## **REASONS FOR PROPOSING THE RESOLUTION**

The Board considers that Shareholders should continue to have the opportunity to vote on any proposed proportional takeover bid. Without the proposed proportional takeover provisions, a proportional takeover bid for AusNet Services might enable a bidder to obtain control of AusNet Services without the Shareholders having the opportunity to sell all of their Shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in AusNet Services, and the risk of the bidder being able to acquire control of AusNet Services without payment of an adequate premium for all of their Shares.

The proposed renewal of the existing proportional takeover provision lessens this risk because it allows Shareholders to decide whether a proportional takeover bid is acceptable and if it should be permitted to proceed.



# Explanatory Notes (continued)

## KNOWLEDGE OF ANY ACQUISITION PROPOSALS

At the date of this Notice of Meeting, no Director is aware of any current proposal by any person to acquire, or to increase the extent of, a substantial interest in AusNet Services.

## POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPORTIONAL TAKEOVER PROVISIONS

The Directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or disadvantages for the Directors because they remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages for Shareholders of the proposed renewal of the proportional takeover provision under clause 8 include the following:

- > Shareholders would have the right to consider a proportional takeover bid proposal and to decide by majority vote on whether it should be accepted. This should ensure that the terms of any future proportional takeover bid are structured to be attractive to a majority of AusNet Services' Shareholders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic.

- > It may help Shareholders avoid being locked in as a minority, and avoid the bidder acquiring control of AusNet Services without paying an adequate control premium (i.e. not being required to pay for all of the Shares on issue).
- > It increases Shareholders' bargaining power, and may assist in ensuring that any proportional takeover bid is adequately priced.
- > Knowing the view of the majority of Shareholders may help each Shareholder to form an opinion on whether to accept or reject an offer under the bid.

The potential disadvantages for Shareholders of the proposed renewal of the proportional takeover provision under clause 8 include the following:

- > The proportional takeover provision may reduce the likelihood of a proportional takeover bid being successful and, accordingly, proportional takeover bids for Shares may be discouraged.
- > The provisions may reduce the opportunities that Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's Share price.

# Explanatory Notes (continued)

- > The provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

The Board considers the potential advantages for Shareholders of the proportional takeover approval provisions outweigh the possible disadvantages.

## REVIEW OF ADVANTAGES AND DISADVANTAGES OF THE PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, clause 8 of the existing Constitution) could be reviewed for the Directors and Shareholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by clause 8.

### *Recommendation:*

The Board unanimously recommends that Shareholders vote in favour of Item 4.

## ITEM 5: GRANT OF EQUITY AWARDS TO MR TONY NARVAEZ

Shareholder approval is being sought to award to the Managing Director of AusNet Services, Mr Tony Narvaez:

- > 601,402 Performance Rights under AusNet Services' 2020 Long Term Incentive Plan (LTIP) as his long-term incentive award, which seeks to align the interests of executives with Shareholders over a three-year period; and
- > 50,117 Deferred Rights under AusNet Services' Short Term Incentive Plan (STIP) as the deferred portion of any short-term incentive award for FY2020. The deferred period is two years. The STIP rewards achievement against agreed financial and non-financial targets and seeks to align the executive reward with Shareholder outcomes.

## WHY IS MEMBER APPROVAL BEING SOUGHT?

ASX Listing Rule 10.14 states that a listed company must not permit a director to acquire shares under an employee incentive scheme without the prior approval of members by an ordinary resolution. The Board intends to source any Shares allocated to Mr Narvaez on vesting of his equity awards through on-market purchases, which are excluded from

# Explanatory Notes (continued)

the operation of ASX Listing Rule 10.14. However, the Board is seeking this Shareholder approval to preserve flexibility in case, for any reason, it is ultimately considered in the Company's best interests to issue Shares rather than source them on-market. If Shareholder approval is not obtained at the Meeting under ASX Listing Rule 10.14, the Board will not be able to issue Shares to the Managing Director in satisfaction of his equity awards, in which case the Company will grant Mr Narvaez his LTIP and STIP awards, but will acquire the underlying Shares on market or settle any vested rights in cash.

A voting exclusion statement applies to this resolution, as set out in this Notice of Meeting.

## **PERFORMANCE RIGHTS UNDER AUSNET SERVICES' LTIP**

### ***DETAILS OF THE PROPOSED 2020 LTIP GRANT***

The proposed 2020 grant to Mr Narvaez under the LTIP is 601,402 Performance Rights and represents the long-term incentive component of Mr Narvaez's remuneration package. The total number of Performance Rights that Mr Narvaez may apply for will be determined by dividing \$1,150,000, being 100% of Mr Narvaez's fixed annual remuneration, by a Share price of \$1.9122.

The Share price has been calculated based on the volume weighted average price (VWAP) over the five trading day period commencing on the date AusNet Services released its FY2020 financial results. Vesting of the rights will be subject to the LTIP Rules and satisfaction of the performance measures described below.

Each Performance Right represents a right to receive one Share, subject to the achievement of the performance measures, as set out below. The Performance Rights are non-transferable, except in limited circumstances or with the consent of the Board.

The Performance Rights will be granted to Mr Narvaez as soon as practicable after the Meeting and in any event within 12 months after the Meeting.

### ***PERFORMANCE MEASURES***

Performance Rights granted to Mr Narvaez will be subject to three separate performance measures over a three-year Performance Period commencing on 1 April 2020 (Performance Period), as shown on the following page:

# Explanatory Notes (continued)

## (1) Relative Total Shareholder Return

Fifty per cent of Performance Rights will be subject to a performance hurdle relating to relative total shareholder return (TSR), which compares the TSR of AusNet Services over the Performance Period with the TSR of companies in the S&P/ASX 100 index at the commencement of the Performance Period. Vesting is determined by the Company's relative TSR performance percentile ranking as follows:

Relative TSR ranking	Percentage of Performance Rights subject to TSR that vest
Below 50.1 percentile	0%
At 50.1 percentile	35%
Between 50.1 and 75th percentile	Straight line vesting between 35% and 100%
At or above 75th percentile	100%

## (2) Earnings Per Share Growth

Twenty-five per cent of Performance Rights will be subject to a performance hurdle relating to earnings per share growth (EPS Growth). The Board has set a threshold of 2.5% EPS Growth over the Performance Period and a maximum of 7.5% per annum Compound Annual Growth Rate (CAGR). The EPS Growth Vesting Schedule is as follows:

Actual EPS Growth performance	Percentage of Performance Rights subject to EPS that vest
Less than 2.5% CAGR	0%
Between 2.5% CAGR and 7.5% CAGR	Straight line vesting between 0% and 100%
Greater than 7.5% CAGR	100%

# Explanatory Notes (continued)

## (3) Return on Invested Capital

Twenty-five per cent of Performance Rights will be subject to a performance hurdle relating to Return on Invested Capital (ROIC). The Board has set a three-year average ROIC threshold of 4.33% for the Performance Period and a maximum 4.53%. The ROIC Vesting Schedule is as follows:

ROIC Performance	Percentage of Performance Rights subject to ROIC that vest
Less than 4.33%	0%
Between 4.33% and 4.53%	Straight line vesting between 0% and 100%
Greater than 4.53%	100%

### ***ALLOCATION OF SHARES UPON VESTING OF PERFORMANCE RIGHTS***

If the Board determines that the vesting conditions are satisfied, Performance Rights will automatically vest. Following testing of the applicable performance conditions and determination of the level of vesting of Performance Rights, one Share will be allocated in relation to each Performance Right that vests. The Board may settle the Performance Rights by issuing new Shares, or acquiring existing Shares on market. AusNet Services will cause to be transferred to the Managing Director the number of Shares to which he is entitled. Alternatively, the Board may determine to settle the Performance Rights with a cash equivalent amount. The Shares, or a cash equivalent amount as determined by the Board, will then be allocated or paid to the Managing

Director as soon as practicable following vesting of the Performance Rights. Any Performance Rights that do not vest following testing of the performance hurdles at the end of the Performance Period will lapse.

### ***TRADING RESTRICTIONS***

Shares allocated on vesting of Performance Rights will not be subject to any further trading restrictions, subject to compliance with AusNet Services' Guidelines for Dealing in Securities.

### ***PRICE PAYABLE FOR SHARES***

No amount will be payable by Mr Narvaez in respect of the grant of Performance Rights, or in respect of any Shares allocated upon vesting of the Performance Rights, because they represent the long-term incentive portion of his FY2021 remuneration.

# Explanatory Notes (continued)

## ***CESSATION OF EMPLOYMENT***

The LTIP Rules provide that all unvested Performance Rights will lapse in the event that the Managing Director resigns or his employment with AusNet Services is terminated for cause. In all other circumstances (including retirement), unvested Performance Rights will remain on foot, subject to the original performance measures and will be tested at the original testing date.

## ***CHANGE OF CONTROL***

In the event of a change of control event (as described in the LTIP Rules) the Board has absolute discretion to determine the manner in which any or all of the Managing Director's Performance Rights will be dealt with.

## ***CLAWBACK***

In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance), the Board may take any actions to ensure that no unfair benefit is obtained.

## ***OTHER INFORMATION***

The LTIP is an equity-based Long-Term Incentive Plan. There is no loan scheme in relation to the grant of Performance Rights.

The Managing Director is the only Director of AusNet Services eligible to participate in the LTIP. Following Shareholder approval at the 2019 Annual General Meeting, former Managing Director Mr Nino Ficca was granted 164,881 Performance Rights as his 2019 LTIP Grant, which was provided on a pro-rated basis to reflect the portion of the three-year Performance Period Mr Ficca served prior to his retirement as Managing Director on 31 October 2019. No amount was payable by Mr Ficca in respect of that grant. Mr Narvaez was granted 260,459 Performance Rights as his 2019 LTIP Grant, which was provided on a pro-rated basis to reflect the portion of the FY2020 financial year that Mr Narvaez served as Managing Director.

As stated above, if the resolution on Item 5 is approved, the maximum number of 2020 Performance Rights that may be granted to Mr Narvaez will be 601,402.

Mr Narvaez is prohibited from hedging the Share price exposure in respect of Performance Rights during the Performance Period applicable to those Performance Rights.

# Explanatory Notes (continued)

## DEFERRED RIGHTS UNDER AUSNET SERVICES' DEFERRED STIP

### OVERVIEW

For FY2020, the Board offered a short-term incentive to the Managing Director under the Company's Short Term Incentive (STI) Framework. The STI will be partly delivered in rights that will be deferred for a period of two years from the date of grant (Deferred Rights). The Board believes that deferring STI will strengthen alignment between payment of STI awards, the financial performance of the Company and Shareholder outcomes. An award of STI is dependent on a satisfactory level of Company performance and Mr Narvaez's achievement against performance measures as determined by the Board.

Under this framework:

- > two thirds of Mr Narvaez's earned STI award for FY2020 is delivered in cash; and
- > one third is provided as Deferred Rights.

A Deferred Right is a right to acquire one Share (or a cash equivalent amount in respect of the Deferred Rights that vest) subject to service-based conditions.

The Deferred Rights will be granted to Mr Narvaez as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

## PERFORMANCE MEASURES

The performance measures are a combination of key company and individual performance objectives. For FY2020, Mr Narvaez's contractual arrangements included an STI award of \$287,500 representing a pro rata "at target" award.

Further details regarding the basis on which Mr Narvaez's STI outcome was determined for FY2020 are set out in the Remuneration Report.

## QUANTUM OF SHARES

For FY2020, two thirds of the STI award earned by Mr Narvaez (\$191,667) is delivered to him in cash. Subject to Shareholder approval, it is intended that the remaining one third of the award (\$95,833) will be provided to him as Deferred Rights. It is proposed that the number of Deferred Rights to be granted to Mr Narvaez will be 50,117. The number of Deferred Rights was determined by dividing \$95,833, being one third of Mr Narvaez's STI outcome, by a Share price of \$1.9122. The Share price has been calculated based on the VWAP over the five trading day period commencing on the date AusNet Services released its FY2020 financial results.

# Explanatory Notes (continued)

## ***VESTING CONDITIONS AND ALLOCATION OF SHARES UPON VESTING***

The Deferred Rights granted to Mr Narvaez will vest at the end of the two-year deferral period.

Shortly after vesting of Deferred Rights, the Board may settle the Deferred Rights by issuing new Shares or acquiring existing Shares on market. Alternatively, the Board may determine to settle the Deferred Rights with a cash equivalent amount. The Shares, or a cash equivalent amount as determined by the Board, will then be allocated or paid to Mr Narvaez as soon as practicable following vesting of the Deferred Rights.

## ***CESSATION OF EMPLOYMENT***

The rules of the STIP provide that all unvested Deferred Rights will lapse in the event that Mr Narvaez's employment with AusNet Services is terminated for cause, unless the Board decides otherwise. In all other circumstances, including retirement, unvested Deferred Rights will remain on foot and subject to their original deferral terms, and the Board's discretion to determine otherwise.

## ***PRICE PAYABLE FOR SHARES***

No amount will be payable by Mr Narvaez in respect of the grant of Deferred Rights, or in respect of any Shares allocated upon vesting of

the Deferred Rights, because they represent the deferred portion of his FY2020 short-term incentive.

## ***CLAWBACK***

In the event of fraud, dishonesty or breach of obligations (including legal and statutory non-compliance) the Board may take any actions to ensure that no unfair benefit is obtained.

## ***DIVIDENDS***

No dividends will apply in respect of Deferred Rights. However, unless the Board determines otherwise, Mr Narvaez will receive a cash payment at the end of the vesting period equivalent to the amount of dividends he would have received if he had held a number of Shares equal to the number of the Deferred Rights that have vested. This payment will be calculated based on the amount of dividends foregone over the relevant deferral period, not including any adjustment for franking.

## ***CHANGE OF CONTROL***

In the event of a change of control event (as described in the rules of the STIP) the Deferred Rights granted to Mr Narvaez will vest subject to the discretion of the Board to determine different treatment.



# Explanatory Notes (continued)

## **OTHER INFORMATION**

The STIP is an equity-based incentive plan. There is no loan scheme in relation to the grant of Deferred Rights.

As stated above, if this resolution is approved, the maximum number of Deferred Rights that may be granted to the Managing Director is 50,117.

Mr Narvaez is prohibited from hedging the Share price exposure in respect of Deferred Rights during the vesting period applicable to those Deferred Rights.

The Managing Director is the only Director of AusNet Services eligible to participate in the STIP for FY2020. In FY2019, Mr Nino Ficca was entitled to participate in the FY2019 STIP as Managing Director prior to his retirement from that role. Following Shareholder approval at the 2019 Annual General Meeting, Mr Ficca was granted 185,492 Deferred Rights as his 2019 STIP Grant. No amount was payable by Mr Ficca in respect of that grant. Mr Narvaez did not participate in the FY2019 STIP.

## **ADDITIONAL INFORMATION**

Details of any securities issued under the schemes will be published in the AusNet Services Annual Report for the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

If approval is given by Shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

### ***Recommendation:***

The Board (with Mr Narvaez abstaining) unanimously recommends that Shareholders vote in favour of item 5.

## **ITEMS 6, 7 AND 8: ISSUE OF SHARES – ANNUAL APPROVAL**

### **(a) Why is member approval being sought?**

Clause 3.10 of AusNet Services' Constitution provides that Directors must not exercise any power to issue Shares, or to make or grant an offer, agreement or option that would or might require Shares to be issued, without prior Shareholder approval in the general meeting. Such approval must be obtained no more than 18 months before the issue of any Shares, or the making or granting of an offer, agreement or option.

# Explanatory Notes (continued)

This provision was included in AusNet Services' Constitution to preserve the rights of security holders of the Stapled Group that existed under certain Singapore securities regulations prior to the implementation of the corporate restructure in June 2015. ASX Listing Rule 7.1 limits the number of Shares that AusNet Services may issue in any 12-month period (without Shareholder approval) to 15% of its issued capital. ASX Listing Rule 7.2 provides various exceptions to ASX Listing Rule 7.1 which, if satisfied, allow the issue of new shares without prior Shareholder approval.

The effect of clause 3.10 of the Constitution is that prior Shareholder approval is required to issue new Shares, despite the ASX Listing Rules outlined above.

Therefore, each year, AusNet Services seeks Shareholder approval so that it has the ability to issue Shares for the following 18 months in the ordinary course of its business within the limits permitted under the ASX Listing Rules. This includes:

Item 6: The ability to issue Shares valued up to 10% of the capital of the Company;

Item 7: The ability to issue Shares pursuant to a Dividend Reinvestment Plan (DRP); and

Item 8: The ability to issue Shares pursuant to an Employee Incentive Scheme.

An issue of Shares under each item is independent of, and does not include, any Shares issued under another item. The authority conferred by items 6, 7 and 8 will remain in force for a period of 18 months, unless and until revoked or varied at a subsequent Annual General Meeting of AusNet Services.

**The approvals sought for these items are separate and independent of each other.**

## **(b) 10% pro rata issue**

The terms of the approval sought under item 6 allow the Company to issue shares (or to make or grant an offer, agreement or option that would or might require Shares to be issued) to a maximum of 10% of its issued share capital, where the offer to issue shares is made under a pro rata issue (as that term is defined in the ASX Listing Rules). The 10% maximum will be calculated based on the total number of Shares on issue as at the date that a pro rata issue is first offered.

Item 6 seeks Shareholder approval to give authority to AusNet Services to:

- > issue Shares by way of rights issue, bonus issue or otherwise;
- > make or grant offers, agreements or options that might or would require Shares to be issued (including issuing Shares under offers,

# Explanatory Notes (continued)

agreements or options that were made pursuant to Shareholder approvals at previous annual general meetings); and providing that these actions are permitted under the ASX Listing Rules or otherwise permitted by the ASX, and the offer is made pursuant to a pro rata issue of shares of no more than 10% of the issued share capital of the Company. The approval extends to any underwriting (or any sub-underwriting) of the pro rata issue or any other arrangement to make up a shortfall under a pro rata issue.

## **(c) Issue of Shares under a DRP**

Item 7 gives the Board the ability to issue Shares under clause 3.10 of the Constitution for a period of 18 months, under a DRP or any underwriting thereof. Any such issue of Shares will remain subject to the ASX Listing Rules and the Corporations Act, and will not be counted in any determination of the number of Shares issued pursuant to item 6.

The Company's DRP is considered a beneficial way for shareholders to reinvest dividends. Approval for underwriting of the DRP is sought to give AusNet Services the flexibility to do so if considered desirable.

## **(d) Issue of Shares under an Employee Incentive Scheme**

Item 8 gives the Company the ability to issue Shares to senior executives under an Employee Incentive Scheme. AusNet Services does not currently operate an Employee Incentive Scheme that involves the issue of new Shares (currently, Shares for Employee Incentive Schemes are sourced on market). However, the Board considers it prudent to have the flexibility to issue Shares should it be considered appropriate.

### ***Recommendation:***

The Board unanimously recommends that Shareholders vote in favour of **items 6, 7 and 8**.

# Glossary

In these Explanatory Notes, and in the Notice of Meeting, the following expressions have the following meanings unless stated otherwise or the context requires otherwise:

**ASX** means ASX Limited.

**ASX Listing Rules** means the listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Auditor** means KPMG.

**AusNet Services or Company** means AusNet Services Ltd (ABN 45 603 317 559).

**Computershare** means Computershare Investor Services Pty Limited.

**Constitution** means the constitution of AusNet Services.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Determination** means the temporary legislative amendments to facilitate holding annual general meetings entirely online made by the Treasurer to the *Corporations Act 2001* (Cth) on 5 May 2020.

**Director** means a person appointed to perform the duties of a director of AusNet Services.

**DRP** means a Dividend Reinvestment Plan of AusNet Services.

**Explanatory Notes** means the notes attached to, and which form part of, the Notice of Meeting.

**KMP** means key management personnel which has the meaning ascribed in the Corporations Act and the accounting standards.

**LTIP** means AusNet Services' Long Term Incentive Plan.

**LTIP Rules** means the AusNet Services' Long Term Incentive Plan Rules.

**Lumi AGM app** means the application Shareholders can use to participate in the Meeting using their mobile phone or device.

**Lumi platform** means the online facility Shareholders can use to participate in the Meeting using their computer.

**Meeting** means the virtual Annual General Meeting of AusNet Services to be held on Thursday, 16 July 2020 at 2.00pm (AEST).

# Glossary (continued)

**Share** means a share in AusNet Services.

**Shareholder** means a holder of Shares in AusNet Services.

**Stapled Companies** means AusNet Services (Distribution) Pty Ltd (ABN 37 108 788 245) and AusNet Services (Transmission) Pty Ltd (ABN 48 116 124 362).

**Stapled Group** means the Stapled Companies and the Trust.

**STIP** means the AusNet Services Deferred Short Term Incentive Plan.

**Trust** means AusNet Services Finance Trust, the responsible entity of which is AusNet Services (RE) Pty Ltd (ABN 46 109 977 371).

**Virtual AGM Online Guide** means the guide made available on the AusNet Services website to assist Shareholders in participating in the Meeting.

**VWAP** means volume weighted average price.

## AUSNET SERVICES

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