

ASX Announcement

28 January 2022

2022 Scheme Meeting – Chair's Address

AusNet Services Ltd (**AusNet**) refers to the proposed acquisition of AusNet by Australian Energy Holdings No 4 Pty Ltd (a company controlled by Brookfield Asset Management, Inc.) by way of a scheme of arrangement.

In accordance with ASX Listing Rule 3.13.3, attached to this announcement are the following documents to be presented at the Scheme Meeting of AusNet commencing at 11:00am (Melbourne time) today:

- a copy of the address to be delivered by the Chair at the Scheme Meeting; and
- the Scheme Meeting presentation slides.

AusNet shareholders (or their proxies, attorneys or corporate representatives) will be able to attend and vote at the Scheme Meeting through an online platform available at <http://www.meetnow.global/AST2022>.

The results of the vote at the Scheme Meeting will be available later today on the ASX and on our website, as soon as practicable after the end of the meeting.

AusNet is being advised by Adara Partners and Citigroup as financial advisers, and by Allens as legal adviser.

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

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CHAIR'S ADDRESS

28 January 2022

1 SLIDE 1: Scheme Meeting Cover Slide

2 SLIDE 2: Disclaimer

3 SLIDE 3: Chair's Address

Welcome ladies and gentlemen to the Scheme Meeting of AusNet Services Ltd. My name is Peter Mason and I have the pleasure of being the Chairman of your company and will be chairing today's Scheme Meeting.

As the COVID-19 pandemic still poses ongoing health risks, our Scheme Meeting is being held online and live via Computershare's Virtual Meeting platform.

Our Company Secretary has informed me that a quorum is present and therefore I declare the AusNet Scheme Meeting open.

I wish to begin by acknowledging the Wurundjeri ('were-un-juri') people of the Kulin nation as the Traditional Custodians of the land on which AusNet's corporate office is situated. I pay respect to their Elders, past, present and emerging and extend this respect to other Aboriginal and Torres Islander people from other communities who are joining us today.

On behalf of the AusNet Board of Directors, I'd like to welcome our Shareholders, or their proxies, attorneys or representatives present – thank you for attending today.

I propose to take the Notice of Meeting as read.

I'd like to welcome my fellow Board members joining us on the webcast today:

- Alan Chan Heng Loon – who joined the Board in 2018;
- Ralph Craven – who joined the Board in 2014;
- Sally Farrier – who joined the Board in 2014;
- Robert Milliner – who joined the Board in 2015;

- Tony Narvaez - AusNet's Managing Director, who joined AusNet in November 2019;
- Nora Scheinkestel – who joined the Board in 2016;
- Tan Chee Meng – who joined the Board in 2016; and,
- Li Lequan - who joined the Board in 2018.

Naomi Kelly, our Company Secretary, is also with us on the webcast, as are members of the AusNet Executive Leadership Team. Also with us is Adrian Hill, General Manager Strategy and Corporate Development, who will be assisting me with your questions today.

Finally, we have representatives from Citi, Adara and Allens joining us.

I will shortly talk you through how this meeting and voting process will be conducted, but before I get to that, I would like to speak briefly about when the results of the meeting will be available. You will be able to see the proxies lodged prior to the meeting on the slide when we turn to the formal business of the meeting, being the Scheme Resolution. The slides have also been uploaded to the ASX prior to this meeting. As is their right, not every shareholder has chosen to appoint a proxy and this includes State Grid. In addition, shareholders retain the discretion to vote in person, rather than by an appointed proxy and it is important that certain validation procedures are undertaken after the polls close. Accordingly, the results of the vote on the Scheme Resolution will not be available until later today on the ASX and on our website and as soon as practicable after the end of the meeting.

I would also like to point out that we have plans in place in the event we experience any technology issues at our end during the meeting. If that occurs and I am unable to Chair the meeting, Robert Milliner will step in and become Chair of the meeting. He will Chair the meeting until such time that I can resume as Chairman. If we experience technological difficulties that result in a significant number of shareholders being unable to reasonably participate, then it may be necessary to take a short break or to adjourn the meeting. Details of any adjournment will be announced to the ASX and made available on our website as soon as possible.

I'd now like to briefly reflect on the journey that AusNet has been on over the past few years.

I was appointed Chairman of AusNet in May 2016. Since then, the Board's focus has been to oversee the operation of an economically, environmentally and socially sustainable business, with our key objectives of delivering safe and reliable energy to customers. AusNet has a strong mix of diverse regulated core networks, complemented by a growing contracted infrastructure portfolio which is leveraged to the energy transition. Facilitating a low carbon future and working closely with government, communities, and customers has been a key part of our strategy to deliver growth. Our growth aspirations have been supported by a disciplined approach to capital allocation underpinned by prudent financial metrics generating solid returns to shareholders.

I'd like to extend my sincere thanks to my colleagues on the Board, to the executive team and to every employee at AusNet for their efforts and contribution during this time. Their commitment to the Company, particularly during a global pandemic and recently some of the largest storm events ever experienced, is significant and much appreciated.

I'll now take a moment to explain our virtual meeting platform. All attendees participating live are able to ask questions and submit votes through the platform.

4 SLIDE 4: How to Ask a Question

Questions can be submitted at any time by using the online platform or via telephone. Instructions for how to ask a question are available on the screen. To ask a written question via the online platform, click on the Q&A 'speech bubble' icon. Once you have completed typing your question, please select the send button to submit your question.

To ask a question verbally, please click on the link at the bottom left of the screen underneath the webcast, as indicated on the slide. You'll need to register and will then be sent a unique access code and phone number to dial. Dial the number and enter the unique access code to speak to the operator. You will then need to remain on hold until you are informed by the operator that you may ask your question.

While you can submit questions online or click on the link to initiate the process to ask a question verbally from now on, I will address questions at the relevant time in the meeting. Questions must

be relevant to the business of today's meeting, being the approval of the Scheme. Please note, I will not address questions that are unrelated to the Scheme. If we receive multiple questions on one topic they may be amalgamated. But we will be very conscious to try to answer all relevant questions throughout the course of today's meeting.

5 SLIDE 5: How to Vote

Voting today will be conducted by way of a poll. I appoint Christopher Dedrick from our Registry, Computershare Investor Services, to be the Returning Officer in regard to the poll.

In order to provide you with enough time to vote, I will shortly open voting. Instructions for how to vote are available on the screen.

If you are eligible to vote, once voting opens, press the vote icon and the resolution will be activated with voting options. To cast your vote simply select one of the options. There is no need to hit a 'submit' or 'enter' button, as the vote is automatically recorded. You will receive a vote confirmation notification on your screen.

I now declare voting open. Please submit your votes at any time. I will give you a warning before I move to close voting.

With that explanation, I will now move on to provide an overview of the Scheme.

6 SLIDE 6: Overview of the Scheme

The business of today's meeting is to consider, and if thought fit, approve a scheme of arrangement under which Australian Energy Holdings No 4 Pty Ltd, the Bidder, will acquire all of the Shares in AusNet. The cash amount payable by the Bidder for each AusNet Share under the Scheme is \$2.6025. When this amount is added to AusNet's interim unfranked dividend for the half year ended 30 September 2021 of \$0.0475 per AusNet Share which was paid on 16 December 2021 to the AusNet Shareholders who held their AusNet Shares as at the interim dividend record date of 17 November 2021, it represents a Total Cash Amount of \$2.65 per AusNet Share.

If the Scheme proceeds, the Bidder will be owned by a consortium comprising (among others) a syndicate of institutional investors managed or advised by Brookfield Asset Management Inc., together with the Sunsuper Superannuation Fund, Alberta Investment Management Corporation, Investment Management Corporation of Ontario and Healthcare of Ontario Pension Plan.

As set out in the Scheme Booklet which was made available to Shareholders, your Directors unanimously recommended, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of AusNet Shareholders, that Shareholders vote in favour of the resolution at today's meeting.

Some of the key reasons for this recommendation include:

- The Total Cash Amount of \$2.65 per AusNet Share represents a significant premium to AusNet's recent historical trading prices;
- The Total Cash Amount of \$2.65 per AusNet Share equates to acquisition multiples that are at the high end of market evidence for electricity transmission and distribution networks and gas distribution networks;
- The proposal from the Bidder is a 100% cash proposal, which provides AusNet Shareholders with the opportunity to realise certain cash value for their AusNet Shares now, which may not be achieved if the Scheme does not proceed;
- The Total Cash Amount of \$2.65 per AusNet Share is the highest offer price received as a result of a competitive process between Brookfield and APA Group, which produced five indicative, non-binding and conditional proposals for the acquisition of AusNet prior to the final binding offer of \$2.65 per AusNet Share from the Bidder

The result underscores the AusNet Board's work to maximise value for shareholders at all times – by responding to the unsolicited proposals from both parties and by converting one of the indicative proposals into a binding offer

The AusNet Board has been collectively focused on acting in the best interests of all shareholders by facilitating multiple proposals and negotiating a binding proposal for shareholders to consider that is unanimously supported by all Directors.

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- Underlining the value of the Brookfield offer negotiated by the AusNet Board is the fact that AusNet has not received any further proposals from APA or any other party since the signing of the Scheme Implementation Deed;
 - AusNet's share price may fall if the Scheme does not proceed and in the absence of a Superior Proposal;
 - The Scheme is supported by AusNet's major shareholder Singapore Power International Pte Ltd and SP eResources Pte Ltd, which has informed AusNet that it intends to vote all AusNet Shares that it held or controlled on the Scheme Meeting Record Date in favour of the Scheme, subject to certain conditions outlined in the Scheme Booklet, including that there is no superior proposal; and
 - As announced by AusNet to the ASX on 12 November 2021, the Bidder has received written confirmation from FIRB that the Commonwealth Government has no objection to the transaction.

The Board has also appointed Grant Samuel & Associates Pty Limited as the Independent Expert to assess the merits of the Scheme. A copy of the Independent Expert's Report was included in the Scheme Booklet. The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and, therefore, is in the best interests of AusNet Shareholders. The Independent Expert has assessed the full underlying value of AusNet Shares at between \$2.45 and \$2.70 per AusNet Share. The Total Cash Amount of \$2.65 per AusNet Share that is payable to AusNet Shareholders is near the top of this range.

Please note that, even if the Scheme is approved by the requisite majorities at today's meeting, the Scheme is still subject to approval by the Supreme Court of New South Wales.

If the Scheme is approved by Shareholders today, the timetable to implement the Scheme and pay Shareholders their Scheme Consideration will be as follows:

- 3 February – the Second Court Date for approval of the Scheme;
- 4 February – the Effective Date of the Scheme and the last trading day in AusNet Shares;

- 9 February – the Scheme Record Date – all Shareholders who hold AusNet Shares on this date will be entitled to receive the Scheme Consideration; and
- 16 February – the Implementation and Payment Date.

7 SLIDE 7: Questions

I will now respond to questions in relation to the business of the meeting that Shareholders have submitted during the course of today's meeting.

8 SLIDE 8: Scheme Resolution

I will now turn to the formal business of the meeting.

There is only one item of business before this meeting today, being the Scheme Resolution, which is set out on the screen.

All persons entitled to vote have been granted access in the system through the polling icon.

9 SLIDE 9: Proxy Results

I will be casting the undirected proxies given to me in favour of the Scheme Resolution.

The proxy votes received prior to the relevant cut off time are on the screen before you.

As I noted at the beginning of this meeting, the results of the poll will not be available during the meeting, but will be available on the ASX and on our website as soon as practicable after the meeting.

I ask you to please complete your voting. I will now pause for 2 minutes to allow you time to finalise your votes.

Thank you. I now declare voting and the poll closed.

10 SLIDE 10: Close of Scheme Meeting

That concludes our formal business.

To our Shareholders, thank you for your consistent support and for being with us throughout this journey.

Thank you for your attendance and your participation in today's online Scheme Meeting.

I now declare the Scheme Meeting of AusNet Services Ltd closed.

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AusNet
services

AusNet Scheme Meeting

28 January 2022



Disclaimer

The AusNet Services Group (**AusNet**) comprises AusNet Ltd and its subsidiaries.

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This presentation has been prepared by AusNet on the information available. To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions in this presentation and AusNet, its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this presentation.

This presentation contains certain “forward-looking statements” and prospective financial information. These forward-looking statements and information are based on the reasonably held beliefs of AusNet management as well as reasonable assumptions made by and information currently available to AusNet management and are current only as of the date of this presentation. All statements other than statements of historical facts included in this presentation, including without limitation, statements regarding AusNet forecasts, business strategy, synergies, plans and objectives, are forward-looking statements. Past performance is also not an indicator of future performance. In addition, when used in this presentation, the words “guidance”, “forecast”, “estimate”, “expect”, “anticipated” and similar expressions are intended to identify forward - looking statements. Such statements are subject to significant assumptions, risks and uncertainties, many of which are outside the control of AusNet and are not reliably predictable, which could cause actual results to differ materially, in terms of quantum and timing, from those described in this presentation. In receiving this presentation, you agree to the above restrictions and limitations. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Non-IFRS information

- Other than as indicated, the financial information contained in this document is directly extracted or calculated from the annual financial report. Throughout this document some non-IFRS financial information is stated (operating expenses excluding certain items and regulated and contracted asset bases). We believe these non-statutory measures provide useful information to understand the financial performance of the Group, but should not be considered as an indication of, or substitution for reported information.
- The non-IFRS financial information has not been audited by the Group’s auditors.

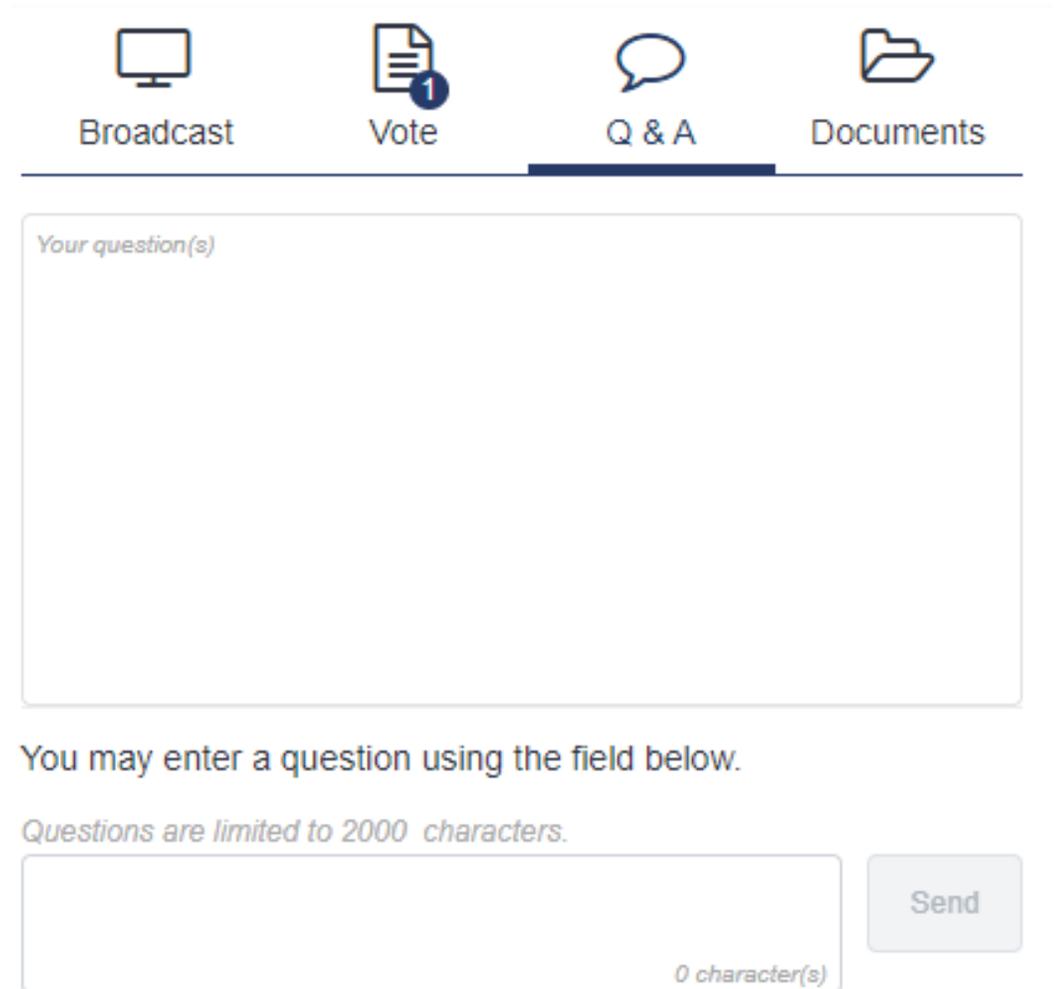
Chair's Address

Peter Mason AM



How to Ask a Question

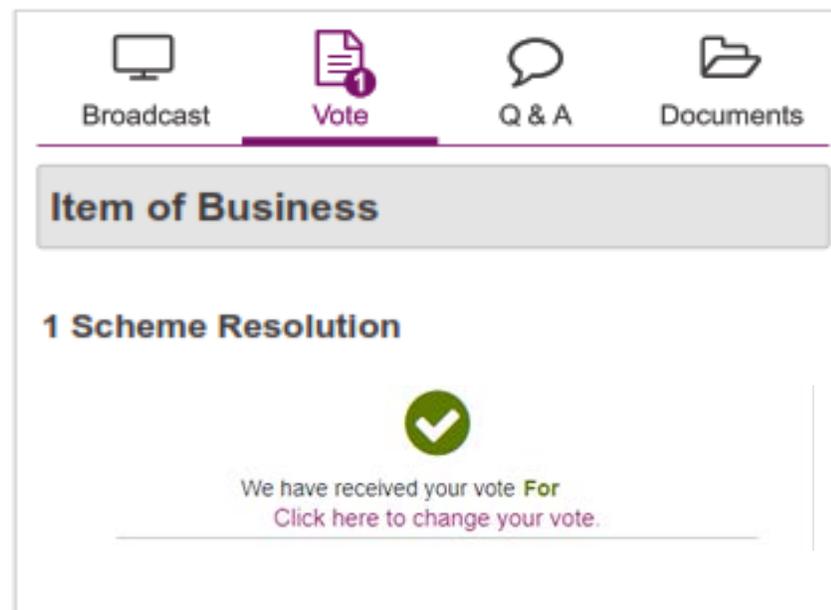
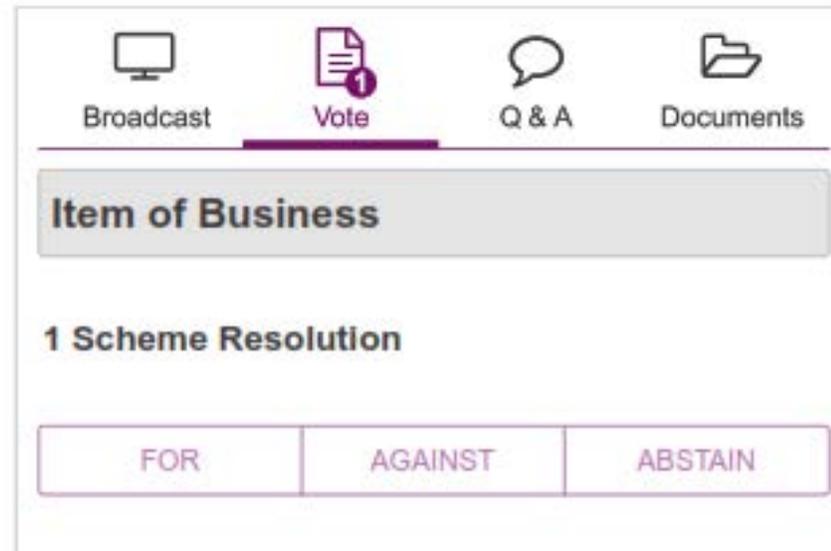
1. To ask a written question select the Q & A icon
2. Type your question in the text box and press the send button
3. To ask a verbal question, click on the link on the bottom left of the webpage underneath the webcast and register to receive a unique access code and a phone number to dial



The screenshot shows a navigation bar with four icons: a monitor for 'Broadcast', a document with a checkmark for 'Vote', a speech bubble for 'Q & A', and a folder for 'Documents'. The 'Q & A' option is highlighted with a dark blue underline. Below the navigation bar is a large text input area with the placeholder text 'Your question(s)'. Underneath this is a smaller text input field with the placeholder text 'You may enter a question using the field below.' and a character count '0 character(s)'. To the right of this field is a 'Send' button. A note above the smaller field states 'Questions are limited to 2000 characters.'

How to Vote

1. When the poll is open, select the vote icon at the top of the screen
2. To vote, select either For, Against or Abstain
3. You will see a vote confirmation
4. To change or cancel your vote “click here to change your vote” at any time until the poll is closed



Overview of the Scheme

Chair, Peter Mason AM



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Questions



Formal Business – Scheme Resolution

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between AusNet Services Ltd (“AusNet”) and the holders of its fully paid ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alteration or conditions as approved by the Supreme Court of New South Wales and agreed to by AusNet and Australian Energy Holdings No 4 Pty Ltd (“Bidder”)) and, subject to approval of the Scheme by the Court, the AusNet Board is authorised to implement the Scheme with any such alterations or conditions.”

Proxies Lodged Prior to this Scheme Meeting

	For	Against	Open*	TOTAL	Abstain**	Requisite voting majorities for Scheme Resolution to pass
Number of votes	2,471,083,696	7,863,466	7,072,480	2,486,019,642	9,553,699	At least 75% in favour
% of votes	99.39%	0.32%	0.29%	100%	0.25%	
Number of shareholders	2,545	448	248	3,300	31	More than 50% in favour
% of shareholders	77%	14%	8%	100%	1%	

Please note that the above table only shows the numbers and percentages of shareholders who appointed a proxy and votes covered by proxies lodged prior to this Scheme Meeting. Not all shareholders have lodged a proxy and shareholders retain the discretion to vote in person rather than by an appointed proxy. Certain validation procedures will also be run following the close of the poll. Accordingly, the results of this Scheme Meeting will not be known until after the meeting.

* Open proxies in favour of the Chair (representing 0.29% of votes cast and 8% of shareholders voting) will be voted in favour of the resolution.

** Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.

***There were 28 shareholders (being 0.85% of all shareholders who submitted proxies) who split their holdings and voted differently in respect of those separate holdings. Those shareholders have been included within the 'for', 'against' and 'open' columns (as applicable) in the 'Number of votes cast' and '% of votes cast' rows, but have not been included within the 'for', 'against' or 'open' columns in the 'Number of shareholders' and '% of shareholders' rows due to this splitting.

Further Information and Contacts

Headquartered in Melbourne, Australia, AusNet's purpose is to connect communities with energy and accelerate a sustainable future. AusNet is the largest diversified energy network business in Victoria and owns and operates over \$11 billion of regulated and contracted assets. It owns and operates three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network, as well as a significant portfolio of contracted energy infrastructure. It also owns and operates energy and technical services businesses (which trade under the name "Mondo"). AusNet engages over 1,500 employees to service over 1.5 million customers across Victoria and is listed on the Australian Securities Exchange (ASX:AST). www.ausnetservices.com.au

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